

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
Form 10-K

Annual Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the fiscal year ended December 31, 2020 For the transition period from to

Commission File Number 1-9210

Occidental Petroleum Corporation

(Exact name of registrant as specified in its charter)

State or other jurisdiction of incorporation or organization **Delaware**
I.R.S. Employer Identification No. **95-4035997**
Address of principal executive offices **5 Greenway Plaza, Suite 110 Houston, Texas**
Zip Code **77046**
Registrant's telephone number, including area code **(713) 215-7000**

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbol	Name of Each Exchange on Which Registered
Common Stock, \$0.20 par value	OXY	New York Stock Exchange
Warrants to Purchase Common Stock, \$0.20 par value	OXY WS	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.

Yes No

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 every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit 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 the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer Accelerated Filer Emerging Growth Company
Non-Accelerated Filer Smaller Reporting 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 has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes No

The aggregate market value of the registrant's Common Stock held by nonaffiliates of the registrant was approximately \$17.0 billion computed by reference to the closing price on the New York Stock Exchange of \$18.30 per share of Common Stock on June 30, 2020.

At January 31, 2021, there were 931,554,718 shares of Common Stock outstanding, par value \$0.20 per share.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's definitive Proxy Statement, relating to its 2021 Annual Meeting of Stockholders, are incorporated by reference into Part III of this Form 10-K.

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Part I
ITEMS 1 AND 2. BUSINESS AND PROPERTIES

In this report, “Occidental”, “we” and “our” refers to Occidental Petroleum Corporation, a Delaware corporation incorporated in 1986, or Occidental and one or more entities in which it owns a controlling interest (subsidiaries). Occidental conducts its operations through its various subsidiaries and affiliates. Occidental’s executive offices are located at 5 Greenway Plaza, Suite 110, Houston, Texas 77046; telephone (713) 215-7000.

GENERAL

Occidental’s principal businesses consist of three reporting segments: oil and gas, chemical and midstream and marketing. The oil and gas segment explores for, develops and produces oil and condensate, natural gas liquids (NGL) and natural gas. The chemical segment (OxyChem) mainly manufactures and markets basic chemicals and vinyls. The midstream and marketing segment purchases, markets, gathers, processes, transports and stores oil, condensate, NGL, natural gas, carbon dioxide (CO₂) and power. It also trades around its assets, including transportation and storage capacity, and invests in entities that conduct similar activities such as Western Midstream Partners, L.P. (WES).

The midstream and marketing segment also includes Oxy Low Carbon Ventures (OLCV). OLCV seeks to leverage Occidental’s carbon management expertise that is derived from its enhanced oil recovery (EOR) operations to develop carbon capture, utilization and storage facilities that are expected to source anthropogenic CO₂ and promote innovative technologies that drive cost efficiencies and economically grow Occidental’s business while reducing emissions.

On August 8, 2019, pursuant to the Agreement and Plan of Merger dated May 9, 2019, Occidental acquired all of the outstanding shares of Anadarko Petroleum Corporation (Anadarko), through a transaction in which a wholly owned subsidiary of Occidental merged with and into Anadarko (the Acquisition). The Acquisition added to Occidental’s oil and gas portfolio, primarily in the Permian Basin, DJ Basin, Gulf of Mexico and Algeria, and an interest in WES.

For further information regarding Occidental’s segments, geographic areas of operation and current developments, see the Management’s Discussion and Analysis of Financial Condition and Results of Operations section under Part II, Item 7, of this Form 10-K and [Note 18 - Industry Segments and Geographic Areas](#) in the Notes to Consolidated Financial Statements.

HUMAN CAPITAL RESOURCES

Occidental’s culture of diversity, inclusion and belonging aspires to create an environment where differences are appreciated, all employees are included and everyone feels that they belong. As part of our commitment to support this culture, we conducted a robust survey across our organization. The results were reviewed with our Board of Directors and are a basis for our company’s core values.

Occidental’s human capital resources extend across several regions. Occidental has attracted a diverse work force of exceptional talent, including employees from many nations. This diversity enriches our culture, our employees’ experience on the job and contributes to an innovative and effective business model that encourages local communities to thrive. Diversity, inclusion and belonging power our innovation and spirit of excellence, as well as our knowledge and results. Embedding diversity, inclusion and belonging into our culture enhances Occidental’s collaboration, performance and growth and helps uphold our organizational values. Occidental’s culture of diversity, inclusion and belonging is designed to create an environment where our employees’ differences are celebrated and encouraged. Occidental’s management works to leverage its employees’ various backgrounds, unique experiences and points of view to spark innovation, empower growth, outperform expectations and maximize results. Diversity is who we are, inclusion is how we work and belonging is how we thrive. Occidental’s recruiting, training and career development programs are designed to help every employee realize his or her full potential.

The below table approximates regional distribution of Occidental’s employees:

	North America	Middle East	Latin America	Other ^(a)	Total ^(b)
Union	500	800	50	—	1,350
Non-Union	7,750	2,500	100	100	10,450
Total	8,250	3,300	150	100	11,800

^(a) Other headcount includes North Africa, Europe and Asia.

^(b) Includes approximately 2,900 employees in the Chemical segment.

Occidental is dedicated to attracting and retaining top talent and Occidental is regularly evaluating and updating its human capital resources to enable its employees to live well and work well. Occidental offers education resources, programs, time away benefits and insurance to support multiple factors of health including physical, financial, social and mental. Occidental's ultimate goal is to give employees the tools and resources they need to succeed both personally and professionally and foster a safe and collaborative work environment.

Occidental's employees are key to its ability to safely adapt to an evolving business environment; one of Occidental's top priorities is safety for all. In industries where Occidental operates one of the key performance indicators of a successful company is a low injury incidence rate. Occidental's injury rate for 2020 was historically low. Management's compensation is impacted by the number of health and safety incidents, which was most recently reflected in management's 2020 annual bonus determination.

Occidental's employees are evaluated relative to Occidental's core values. These core values are as follows:

- Lead with Passion
- Outperform Expectations
- Deliver Results Responsibly
- Unleash Opportunities
- Commit to Good

AVAILABLE INFORMATION

Occidental's annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and any amendments to those reports are available free of charge on its website, www.oxy.com, as soon as reasonably practicable after Occidental electronically files the material with, or furnishes it to, the Securities and Exchange Commission (SEC). In addition, copies of Occidental's annual report will be made available, free of charge, upon written request.

Information contained on Occidental's website is not part of this report or any other filings with the SEC.

OIL AND GAS OPERATIONS

GENERAL

Occidental's oil and gas assets are characterized by an advantaged mix of short-cycle and long-cycle high-return development opportunities. Occidental conducts its ongoing exploration and production activities in the United States, the Middle East and Africa. Within the United States, Occidental has operations in Texas, New Mexico and Colorado, as well as offshore operations in the Gulf of Mexico. Internationally, Occidental conducts operations primarily in Oman, United Arab Emirates (UAE) and Algeria. Operations in Ghana are classified as held for sale as of December 31, 2020. Refer to the Oil and Gas Acreage section in Supplemental Oil and Gas Information under Item 8 of this Form 10-K for further disclosure of Occidental's holdings of developed and undeveloped oil and gas acreage.

COMPETITION

As a producer of oil, condensate, NGL and natural gas, Occidental competes with numerous other domestic and international public, private and government producers. Oil (which includes condensate), NGL and natural gas are sensitive to prevailing global and local, current and anticipated market conditions. Occidental's competitive strategy relies on maintaining production in a capital efficient manner through developing conventional and unconventional fields and utilizing primary and EOR techniques in areas where Occidental has a competitive advantage as a result of its successful operations or investments in shared infrastructure. Occidental also competes to develop and produce its worldwide oil and gas reserves safely and cost-effectively, maintain a skilled workforce and obtain quality services.

PROVED RESERVES AND SALES VOLUMES

The table below shows Occidental's year-end oil, NGL and natural gas proved reserves. See the information under Oil and Gas Segment in the Management's Discussion and Analysis section under Part II, Item 7, of this report for details regarding Occidental's proved reserves, the reserves estimation process, sales and production volumes, production costs and other reserves-related data.

COMPARATIVE OIL AND GAS PROVED RESERVES AND SALES VOLUMES

Oil and NGL are in millions of barrels; natural gas is in billions of cubic feet (Bcf); barrels of oil equivalent (Boe) are in millions.

	2020				2019				2018			
	Oil	NGL	Gas	Boe ^(a)	Oil	NGL	Gas	Boe ^(a)	Oil	NGL	Gas	Boe ^(a)
Proved Reserves^(b)												
United States	1,144	384	2,446	1,936	1,570	540	4,128	2,798	1,186	284	1,445	1,711
International ^(c,d)	331	215	2,573	975	469	208	2,572	1,106	397	202	2,650	1,041
Total	1,475	599	5,019	2,911	2,039	748	6,700	3,904	1,583	486	4,095	2,752
Sales Volumes												
United States	205	81	561	380	155	52	326	261	91	25	119	136
International ^(c,d)	59	13	195	104	64	13	204	111	62	11	189	104
Total	264	94	756	484	219	65	530	372	153	36	308	240

^(a) Natural gas volumes are converted to Boe at six thousand cubic feet (Mcf) of gas per one barrel of oil. Conversion to Boe does not necessarily result in price equivalency.

^(b) The detailed proved reserves information presented in accordance with Item 1202(a)(2) to Regulation S-K under the Securities Exchange Act of 1934 (Exchange Act) is provided in the Supplemental Oil and Gas Information section in Item 8 of this Form 10-K. Proved reserves are stated on a net basis after applicable royalties.

^(c) International proved reserves and sales volumes in 2019 have been reclassified to include Occidental's operations in Algeria.

^(d) Excludes reserves and sales volumes related to Occidental's discontinued operations in 2020 and 2019, respectively.

CHEMICAL OPERATIONS

GENERAL

OxyChem owns and operates manufacturing plants at 22 domestic sites in Alabama, Georgia, Illinois, Kansas, Louisiana, Michigan, New Jersey, New York, Ohio, Tennessee and Texas and at two international sites in Canada and Chile.

COMPETITION

OxyChem competes with numerous other domestic and international chemical producers. OxyChem's market position was first or second in the United States in 2020 for the principal basic chemical products it manufactures and markets as well as for vinyl chloride monomer (VCM). OxyChem ranks in the top three producers of polyvinyl chloride (PVC) in the United States. OxyChem's competitive strategy is to be a low-cost producer of its products in order to compete on price.

OxyChem produces the following products:

Principal Products	Major Uses	Annual Capacity
<i>Basic Chemicals</i>		
Chlorine	Raw material for ethylene dichloride (EDC), water treatment and pharmaceuticals	3.4 million tons
Caustic soda	Pulp, paper and aluminum production	3.5 million tons
Chlorinated organics	Refrigerants ^(a) , silicones and pharmaceuticals	1.0 billion pounds
Potassium chemicals	Fertilizers, batteries, soaps, detergents and specialty glass	0.4 million tons
EDC	Raw material for VCM	2.1 billion pounds
Chlorinated isocyanurates	Swimming pool sanitation and disinfecting products	131 million pounds
Sodium silicates	Catalysts, soaps, detergents and paint pigments	0.6 million tons
Calcium chloride	Ice melting, dust control, road stabilization and oil field services	0.7 million tons
<i>Vinyls</i>		
VCM	Precursor for PVC	6.2 billion pounds
PVC	Piping, building materials and automotive and medical products	3.7 billion pounds
Ethylene	Raw material for VCM	1.2 billion pounds ^(b)

^(a) Includes 4CPE, a raw material used in making next generation, climate friendly refrigerants with low global warming and zero ozone depletion potential.

^(b) Amount is gross production capacity for 50/50 joint venture with Orbia (formerly Mexichem).

MIDSTREAM AND MARKETING OPERATIONS

GENERAL

Occidental's midstream and marketing operations primarily support and enhance its oil and gas and chemical businesses. The midstream and marketing segment strives to maximize realized value by optimizing the use of its gathering, processing, transportation, storage and terminal commitments and by providing access to domestic and international markets. To generate returns, the segment evaluates opportunities across the value chain and uses its assets to provide services to Occidental subsidiaries, as well as third parties. The midstream and marketing segment operates or contracts for services on gathering systems, gas plants, co-generation facilities and storage facilities and invests in entities that conduct similar activities. The midstream and marketing segment has equity investments in WES and Dolphin Energy Limited. WES owns gathering systems, plants and pipelines and earns revenue from fee-based and service-based contracts with Occidental and third parties. Dolphin Energy Limited owns and operates a pipeline which connects its gas processing and compression plant in Qatar and its receiving facilities in UAE and uses its network of Dolphin Energy Limited-owned and other existing leased pipelines to supply natural gas across the UAE and to Oman. Also included in the midstream and marketing segment is OLCV.

COMPETITION

Occidental's midstream and marketing businesses operate in competitive and highly regulated markets. Occidental competes for capacity and infrastructure for the gathering, processing, transportation, storage and delivery of its products, which are sold at current market prices or on a forward basis to refiners, end users and other market participants. Occidental's marketing business competes with other market participants on exchange platforms and through other bilateral transactions with direct counterparties.

Occidental's midstream and marketing operations are conducted in the locations described below as of December 31, 2020:

Location	Description	Capacity ^(a)
Gas Plants		
Texas, New Mexico and Colorado	Occidental and third-party-operated natural gas gathering, compression and processing systems and CO ₂ processing and capturing	2.7 Bcf/d
Rocky Mountains, Pennsylvania and Texas	Equity investment in WES - gas processing facilities	5.6 Bcf/d
UAE	Natural gas processing facilities for Al Hosn	1.3 Bcf/d
Pipelines and Gathering Systems		
Texas, New Mexico and Colorado	CO ₂ fields and pipeline systems transporting CO ₂ to oil and gas producing locations	2.8 Bcf/d
Qatar, UAE and Oman	Equity investment in the Dolphin Energy Limited natural gas pipeline	3.2 Bcf/d
United States	Equity investment in WES involved in gathering and transportation	17,027 miles of pipeline
Power Generation		
Texas and Louisiana	Occidental-operated power and steam generation facilities	1,218 megawatts of electricity and 1.6 million pounds of steam per hour
OLCV		
Texas	Occidental-owned solar generation facility	16.8 megawatts of electricity
Texas	Equity investment in a zero-emission natural gas generation demonstration facility	50 megawatts of electricity
Canada	Equity investment in direct air capture technology, which captures CO ₂ directly from the atmosphere. The captured CO ₂ can be permanently sequestered or synthesized into transportation fuels.	

^(a) Amounts are gross, including interests held by third parties.

ENVIRONMENTAL REGULATION

For environmental regulation information, including associated costs, see the information under Environmental Liabilities and Expenditures in the Management's Discussion and Analysis of Financial Condition and Results of Operations section under Part II, Item 7, of this Form 10-K and Risk Factors under Part I, Item 1A.

ITEM 1A. RISK FACTORS

Risks related to Occidental's business and operations

The COVID-19 pandemic has adversely affected our business and the ultimate effect on our operations and financial condition will depend on future developments, which are highly uncertain.

The COVID-19 pandemic has adversely affected the global economy, disrupted global supply chains and created significant volatility in the financial markets. In addition, the pandemic has resulted in travel restrictions, business closures and the institution of quarantining and other restrictions on movement in many communities. As a result, there has been a significant reduction in demand for and prices of crude oil, NGL and natural gas. If the reduced demand for and prices of crude oil, NGL and natural gas persist for a prolonged period, our operations, financial condition, cash flows, level of expenditures and the quantity of estimated proved reserves that may be attributed to our properties may be materially and adversely affected. Our operations also may be adversely affected if significant portions of our workforce are unable to work effectively, including because of illness, quarantines, government actions or other restrictions in connection with the pandemic. We have implemented workplace restrictions in our offices and work sites for health and safety reasons and continue to monitor national, state and local government directives where we have operations and/or offices. Further, our business plan, including our financing and liquidity plan, includes, among other things, planned divestitures. If general economic conditions or conditions in the energy industry persist at current levels for an extended period of time, we may not be able to complete these transactions on favorable terms, in a timely manner or at all. The extent to which the COVID-19 pandemic adversely affects our business, results of operations and financial condition will depend on future developments, which are highly uncertain, including the scope and duration of the pandemic and actions taken by governmental authorities and other third parties in response to the pandemic. The COVID-19 pandemic may also materially adversely affect our operating and financial results in a manner that is not currently known to us or that we do not currently consider to present significant risks to our operations. To the extent the COVID-19 pandemic may continue to adversely affect our business, operations, financial condition and operating results, it may also have the effect of heightening the other risks described herein.

Volatile global and local commodity pricing strongly affect Occidental's results of operations.

Occidental's financial results correlate closely to the prices it obtains for its products, particularly oil and, to a lesser extent, NGL and its chemical products and natural gas.

Prices for oil, NGL and natural gas fluctuate widely. Historically, the markets for oil, NGL and natural gas have been volatile and may continue to be volatile in the future. If the prices of oil, NGL or natural gas continue to be volatile or decline, Occidental's operations, financial condition, cash flows, level of expenditures and the quantity of estimated proved reserves that may be attributed to our properties may be materially and adversely affected. Prices are set by global and local market forces which are not in Occidental's control. These factors include, among others:

- Worldwide and domestic supplies of, and demand for, oil, NGL, natural gas and refined products;
- The cost of exploring for, developing, producing, refining and marketing oil, NGL, natural gas and refined products;
- Operational impacts such as production disruptions, technological advances and regional market conditions, including available transportation capacity and infrastructure constraints in producing areas;
- Changes in weather patterns and climate;
- The impacts of the members of the Organization of the Petroleum Exporting Countries (OPEC) and other non-OPEC member-producing nations that may agree to and maintain production levels;
- The worldwide military and political environment, including uncertainty or instability resulting from an escalation or outbreak of armed hostilities or acts of terrorism in the United States or elsewhere;
- The price and availability of alternative and competing fuels;
- Technological advances affecting energy consumption and supply;
- Domestic and foreign governmental regulations and taxes;
- Shareholder activism or activities by non-governmental organizations to restrict the exploration, development and production of oil, NGL and natural gas;
- Additional or increased nationalization and expropriation activities by foreign governments;
- The impact and uncertainty of world health events, including the COVID-19 pandemic;

RISK FACTORS

- Volatility in commodity markets;
- The effect of energy conservation efforts; and
- Global inventory levels and general economic conditions.

The long-term effects of these and other conditions on the prices of oil, NGL, natural gas and refined products are uncertain and there can be no assurance that the demand or pricing for Occidental's products will follow historic patterns or recover meaningfully in the near-term. Prolonged or substantial decline, or sustained market uncertainty, in these commodity prices may have the following effects on Occidental's business:

- Adversely affect Occidental's financial condition, liquidity, ability to reduce debt, pay dividends and finance planned capital expenditures, ability to repurchase shares and results of operations;
- Reduce the amount of oil, NGL and natural gas that Occidental can produce economically;
- Cause Occidental to delay or postpone some of its capital projects;
- Reduce Occidental's revenues, operating income or cash flows;
- Reduce the amounts of Occidental's estimated proved oil, NGL and natural gas reserves;
- Reduce the carrying value of Occidental's oil and natural gas properties due to recognizing impairments of proved properties, unproved properties and exploration assets;
- Reduce the standardized measure of discounted future net cash flows relating to oil, NGL and natural gas reserves;
- Limit Occidental's access to, or increase the cost of, sources of capital such as equity and long-term debt; and
- Adversely affect the ability of Occidental's partners to fund their working interest capital requirements.

Generally, Occidental's historical practice has been to remain exposed to the market prices of commodities. In 2019, Occidental entered into 2020 Brent-priced 3-way collars combined with 2021 call options on the same volume to manage its near-term exposure to cash flow variability from oil price risks in 2020. The 2021 call options were sold to enhance the upside retention in 2020. In 2020, management elected to hedge a portion of Occidental's expected 2021 natural gas production to enhance cash flow stability. In the future, management may continue to hedge some of the risk of oil, NGL and natural gas price fluctuations. Commodity price risk management activities may prevent us from fully benefiting from price increases and may expose us to regulatory, counterparty credit and other risks.

The prices obtained for Occidental's chemical products correlate to the health of the United States and global economies, as well as chemical industry expansion and contraction cycles. Occidental also depends on feedstocks and energy to produce chemicals, which are commodities subject to significant price fluctuations.

Occidental may experience delays, cost overruns, losses or other unrealized expectations in development efforts and exploration activities.

Oil, NGL and natural gas exploration and production activities are subject to numerous risks beyond our control, including the risk that drilling will not result in commercially viable oil, NGL and natural gas production. In its development and exploration activities, Occidental bears the risks of:

- Equipment failures;
- Construction delays;
- Escalating costs or competition for services, materials, supplies or labor;
- Property or border disputes;
- Disappointing drilling results or reservoir performance;
- Title problems and other associated risks that may affect its ability to profitably grow production, replace reserves and achieve its targeted returns;
- Actions by third-party operators of our properties;
- Delays and costs of drilling wells on lands subject to complex development terms and circumstances; and
- Oil, NGL and natural gas gathering, transportation and processing availability, restrictions or limitations.

Exploration is inherently risky and is subject to delays, misinterpretation of geologic or engineering data, unexpected geologic conditions or finding reserves of disappointing quality or quantity, which may result in significant losses.

Governmental actions and political instability may affect Occidental's results of operations.

Occidental's businesses are subject to the actions and decisions of many federal, state, local and foreign governments and political interests. As a result, Occidental faces risks of:

- New or amended laws and regulations, or new or different applications or interpretations of existing laws and regulations, including those related to drilling, manufacturing or production processes (including flaring, well stimulation techniques such as hydraulic fracturing and acidization), pipelines, labor and employment, taxes, royalty rates, permitted production rates, entitlements, import, export and use of raw materials, equipment or products, use

or increased use of land, water and other natural resources, safety, the manufacturing of chemicals, asset integrity management, the marketing or export of commodities, security and environmental protection, all of which may restrict or prohibit activities of Occidental or its contractors, increase Occidental's costs or reduce demand for Occidental's products. In addition, violation of certain governmental laws and regulations may result in strict, joint and several liability and the imposition of significant civil and criminal fines and penalties;

- Refusal of, or delay in, the extension or grant of exploration, development or production contracts; and
- Development delays and cost overruns due to approval delays for, or denial of, drilling, construction, environmental and other regulatory approvals, permits and authorizations.

The following are examples of actions and decisions recently taken by federal and state governments that impact Occidental's businesses:

In January 2021, the Colorado Oil and Gas Conservation Commission (COGCC) adopted new regulations that impose siting requirements or "setbacks" on certain oil and gas drilling locations based on the distance of a proposed well pad to occupied structures. Pursuant to the regulations, well pads cannot be located within 500 feet of an occupied structure without the consent of the property owner. As part of the permitting process, the COGCC will consider a series of siting requirements for all drilling locations located between 500 feet and 2,000 feet of an occupied structure. Alternatively, the operator may seek a waiver from each owner and tenant within the designated distance. While Occidental is currently evaluating the impact of these regulations on its business, at this time, Occidental does not anticipate significant near-term changes to our development program in the DJ Basin based on these regulations. However, as a result, certain of Occidental's proved undeveloped (PUD) reserves have been derecognized as they no longer meet the regulatory certainty criteria to be considered proved reserves. Occidental's ability to reestablish previously derecognized PUD reserves, as well as establishing new PUD locations, will depend upon Occidental establishing a history of obtaining drilling permits under the new regulations and thus meeting the SEC's "reasonably certain" threshold for adding PUD reserves. Occidental currently believes it will be able to successfully navigate the new setback guidelines.

An executive order was issued in January 2021, *Tackling the Climate Crisis at Home and Abroad*, that mandated an indefinite pause on new oil and gas leasing on federal lands, onshore and offshore, while a comprehensive review of oil and gas permitting and leasing process is conducted by the U.S. Department of the Interior. In conducting this review, the Secretary of the Interior is required to consider whether to adjust royalties associated with oil and gas resources extracted from public lands and offshore waters to account for corresponding climate costs.

In addition, effective January 20, 2021, the Department of the Interior issued an order temporarily elevating the decision-making approval previously delegated to the Department of the Interior's agencies and bureaus, including the Bureau of Ocean Energy Management (BOEM) and the Bureau of Land Management (BLM), to issue any onshore and offshore fossil fuel authorization for, including but not limited to a lease, amendment to a lease, affirmative extension of a lease, contract or other agreement or permit to drill to the leadership of the Department of the Interior. Occidental is continuing to evaluate the overall impact of these new regulatory issuances on its oil and gas operations on federal leases.

In addition, Occidental has experienced and may continue to experience adverse consequences, such as risk of loss or production limitations, because certain of its international operations are located in countries affected by political instability, nationalizations, corruption, armed conflict, terrorism, insurgency, civil unrest, security problems, labor unrest, OPEC production restrictions, equipment import restrictions and sanctions. Exposure to such risks may increase if a greater percentage of Occidental's future oil and gas production or revenue comes from international sources.

Occidental's oil and gas business operates in highly competitive environments, which affect, among other things, its ability to make acquisitions to grow production and replace reserves.

Results of operations, reserves replacement and growth in oil and gas production depend, in part, on Occidental's ability to profitably acquire additional reserves. Occidental has many competitors (including national oil companies), some of which: (i) are larger and better funded; (ii) may be willing to accept greater risks; (iii) have greater access to capital; (iv) have substantially larger staffs; or (v) have special competencies. Competition for reserves may make it more difficult to find attractive investment opportunities or require delay of reserve replacement efforts. Further, during periods of low product prices, any cash conservation efforts may delay production growth and reserve replacement efforts. Also, there is substantial competition for capital available for investment in the oil and natural gas industry. Our failure to acquire properties, grow production, replace reserves and attract and retain qualified personnel could have a material adverse effect on our cash flows and results of operations.

In addition, Occidental's acquisition activities carry risks that it may: (i) not fully realize anticipated benefits due to less-than-expected reserves or production or changed circumstances, such as declines in oil, NGL and natural gas prices; (ii) bear unexpected integration costs or experience other integration difficulties; (iii) experience share price declines based on the market's evaluation of the activity; or (iv) be subject to liabilities that are greater than anticipated.

Occidental's oil and gas reserves are estimates based on professional judgments and may be subject to revision.

Reported oil and gas reserves are an estimate based on periodic review of reservoir characteristics and recoverability, including production decline rates, operating performance and economic feasibility at the prevailing commodity prices, assumptions concerning future oil and natural gas prices, future operating costs and capital expenditures, workover and remedial costs, assumed effects of regulation by governmental agencies, the quantity, quality and interpretation of relevant data, taxes and availability of funds. The procedures and methods for estimating the reserves by our internal engineers were reviewed by independent petroleum consultants; however, there are inherent uncertainties in estimating reserves. Actual production, revenues, expenditures, oil, NGL and natural gas prices and taxes with respect to our reserves may vary from estimates and the variance may be material. If Occidental were required to make significant negative reserve revisions, its results of operations and stock price could be adversely affected.

In addition, the discounted cash flows included in this Form 10-K should not be construed as the fair value of the reserves attributable to our properties. The estimated discounted future net cash flows from proved reserves are based on an unweighted arithmetic average of the first-day-of-the-month price for each month within the year in accordance with SEC regulations. Actual future prices and costs may differ materially from SEC regulation-compliant prices and costs used for purposes of estimating future discounted net cash flows from proved reserves. Also, actual future net cash flows may differ from these discounted net cash flows due to the amount and timing of actual production, availability of financing for capital expenditures necessary to develop our undeveloped reserves, supply and demand for oil, NGL and natural gas, increases or decreases in consumption of oil, NGL and natural gas and changes in governmental regulations or taxation.

Climate change and further regulation of greenhouse gas emissions may adversely affect Occidental's operations or results.

Continuing political and social attention to the issue of climate change has resulted in both existing and pending international agreements and national, regional and local legislation and regulatory programs to reduce greenhouse gas emissions. In December 2009, the Environmental Protection Agency (EPA) determined that emissions of carbon dioxide, methane and other greenhouse gases endanger public health and the environment because emissions of such gases are, according to the EPA, contributing to warming of the Earth's atmosphere and other climatic changes. Based on these findings, the EPA began adopting and implementing regulations to restrict emissions of greenhouse gases under existing provisions of the Clean Air Act. The current administration has identified climate change as a priority and has issued new executive orders and regulatory actions prohibiting or restricting oil and gas development activities in certain areas. As an example in January 2021, the actions undertaken by the Department of the Interior to temporarily elevate the decision-making approval process for new fossil fuel leases or permits. In addition, the United States has re-entered the Paris Agreement, which requires countries to periodically review and represent a progression in greenhouse gas emission reduction goals and an executive order was issued, *Protecting Public Health and the Environment and Restoring Science to Tackle the Climate Crisis*. In the future, the United States may choose to adhere to other international agreements targeting greenhouse gas reductions and there may be new executive orders, regulatory actions and/or legislation targeting greenhouse gas emissions or prohibiting or restricting oil and gas development activities.

However, in the current absence of federal legislation to significantly reduce emissions of greenhouse gases to date, many state governments have established rules aimed at reducing greenhouse gas emissions, some including greenhouse gas cap and trade programs. Most of these cap and trade programs work by requiring major sources of emissions, such as electric power plants, or major producers of fuels, including refineries and natural gas processing plants, to acquire and surrender emission allowances.

These and other government actions relating to greenhouse gas emissions could require Occidental to incur increased operating and maintenance costs including higher rates charged by service providers, costs to purchase and operate emissions control systems, to acquire emission allowances, pay carbon taxes, or comply with new regulatory or reporting requirements or prevent Occidental from conducting oil and gas development activities in certain areas, or they could promote the use of alternative sources of energy and thereby decrease demand for oil, NGL and natural gas and other products that Occidental's businesses produce. Any such legislation or regulatory programs could also increase the cost of consuming, and thereby reduce demand for, oil, NGL, natural gas or other products produced by Occidental's businesses and lower the value of its reserves. Consequently, government actions designed to reduce emissions of greenhouse gases could have an adverse effect on Occidental's business, financial condition, results of operations, cash flows and reserves.

It is difficult to predict the timing and certainty of such government actions and their ultimate effect on Occidental, which could depend on, among other things, the type and extent of greenhouse gas reductions required, the availability and price of emission allowances or credits, the availability and price of alternative fuel sources, the energy sectors covered and Occidental's ability to recover the costs incurred through its operating agreements or the pricing of its oil, NGL, natural gas and other products and whether service providers are able to pass increased costs through to Occidental.

There also have been efforts in the investment community, including investment advisers and certain sovereign wealth, pension and endowment funds, as well as other stakeholders, promoting divestment of fossil fuel equities and pressuring lenders to limit funding to companies engaged in the extraction of fossil fuel reserves. Such environmental activism and

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initiatives aimed at limiting climate change and reducing air pollution could adversely affect our business activities, operations and ability to access capital. Such initiatives could cause the market value of our securities to decrease, our cost of capital to increase and adversely affect our reputation. Finally, increasing attention to climate change risks has resulted in an increased possibility of governmental investigations and additional private litigation against Occidental without regard to causation or our contribution to the asserted damage, which could increase our costs or otherwise adversely affect our business. Occidental has been named in certain private litigation relating to these matters.

Occidental has recorded impairments of its proved and unproved oil and gas properties and will continue to assess further impairments in the future.

We have recorded impairments of our proved and unproved oil and gas properties resulting from prolonged declines in oil and gas prices and may record such impairments in the future. Past impairments include pre-tax impairment and related charges to both proved and unproved oil and gas properties and a lower of cost or net realizable value adjustment for crude inventory. In 2020, Occidental recognized a pre-tax impairment to its oil and gas proved and unproved properties of \$9.2 billion. If there is a worsening of the macroeconomic conditions and if such worsened condition is expected to or does persist for a prolonged period of time, Occidental's oil and gas properties may be subject to further testing for impairment, which could result in additional non-cash asset impairments. Such impairments could be material to the financial statements.

Occidental's businesses may experience catastrophic events.

The occurrence of events such as hurricanes, floods, droughts, earthquakes or other acts of nature, well blowouts, pandemics, fires, explosions, pipeline ruptures, chemical releases, oil releases, including maritime releases, releases into navigable waters and groundwater contamination, material or mechanical failure, industrial accidents, physical attacks, abnormally pressured or structured formations and other events that cause operations to cease or be curtailed may negatively affect Occidental's businesses and the communities in which it operates. Coastal operations are particularly susceptible to disruption from extreme weather events. Any of these risks could adversely affect our ability to conduct operations or result in substantial losses to us as a result of:

- Damage to and destruction of property and equipment, including property and equipment owned by third-parties which our operations rely upon;
- Damage to natural resources;
- Pollution and other environmental damage, including spillage or mishandling of recovered chemicals or fluids;
- Regulatory investigations and penalties;
- Loss of well location, acreage, expected production and related reserves;
- Suspension or delay of our operations;
- Substantial liability claims; and
- Repair and remediation costs.

Third-party insurance may not provide adequate coverage or Occidental may be self-insured with respect to the related losses. In addition, under certain circumstances, we may be liable for environmental damage caused by previous owners or operators of properties that we own, lease or operate. As a result, we may incur substantial liabilities to third parties or governmental entities for environmental matters for which we do not have insurance coverage, which could reduce or eliminate funds available for exploration, development or acquisitions or cause us to incur losses.

Occidental uses CO₂ for its EOR operations. Occidental's production from these operations may decline if Occidental is not able to obtain sufficient amounts of CO₂.

Occidental's CO₂ EOR operations are critical to Occidental's long-term strategy. Oil production from Occidental's CO₂ EOR projects depends largely on having access to sufficient amounts of naturally occurring or anthropogenic CO₂. Occidental's ability to produce oil from its CO₂ EOR projects would be hindered if the supply of CO₂ was limited due to, among other things, problems with current CO₂ producing wells and facilities, including compression equipment, catastrophic pipeline failure or the ability to economically purchase naturally occurring or anthropogenic CO₂. This could have a material adverse effect on Occidental's financial condition, results of operations or cash flows. Future oil production from its CO₂ EOR operations is dependent on the timing, volumes and location of CO₂ injections and, in particular, Occidental's ability to obtain sufficient volumes of CO₂. Market conditions may cause the delay or cancellation of the development of naturally occurring CO₂ sources or construction of plants that produce anthropogenic CO₂ as a byproduct that can be purchased, thus limiting the amount of CO₂ available for use in Occidental's CO₂ EOR operations.

Occidental is exposed to cyber-related risks.

The oil and gas industry is increasingly dependent on digital and industrial control technologies to conduct certain exploration, development and production activities. Occidental relies on digital and industrial control systems, related

infrastructure, technologies and networks to run its business and to control and manage its oil and gas, chemicals, marketing and pipeline operations. Use of the internet, cloud services, mobile communication systems and other public networks exposes Occidental's business and that of other third parties with whom Occidental does business to cyber attacks. Cyber attacks on businesses have escalated in recent years.

Information and industrial control technology system failures, network disruptions and breaches of data security could disrupt our operations by causing delays, impeding processing of transactions and reporting financial results, resulting in the unintentional disclosure of company, partner, customer or employee information or could damage our reputation. A cyber attack involving our information or industrial control systems and related infrastructure, or that of our business associates, could negatively impact our operations in a variety of ways, including but not limited to, the following:

- Unauthorized access to seismic data, reserves information, strategic information, or other sensitive or proprietary information could have a negative impact on our ability to compete for oil and natural gas resources;
- Data corruption, communication or systems interruption or other operational disruption during drilling activities could result in delays and failure to reach the intended target or cause a drilling incident;
- Data corruption, communication or systems interruption or operational disruptions of production-related infrastructure could result in a loss of production or accidental discharge;
- A cyber attack on our chemical operations could result in a disruption of the manufacturing and marketing of our products or a potential environmental hazard;
- A cyber attack on a vendor or service provider could result in supply chain disruptions, which could delay or halt our construction and development projects;
- A cyber attack on third-party gathering, pipeline, processing, terminal or other infrastructure systems could delay or prevent us from transporting, processing and marketing our production;
- A cyber attack involving commodities exchanges or financial institutions could slow or halt commodities trading, thus preventing us from marketing our production or engaging in hedging activities;
- A cyber attack that halts activities at a power generation facility or refinery using natural gas as feedstock could have a significant impact on the natural gas market;
- A cyber attack on a communications network or power grid could cause operational disruption;
- A cyber attack on our automated and surveillance systems could cause a loss in production and potential environmental hazards;
- A deliberate corruption of our financial or operating data could result in events of non-compliance which could then lead to regulatory fines or penalties; and
- A cyber attack resulting in the loss or disclosure of, or damage to, our or any of our customer's or supplier's data or confidential information could harm our business by damaging our reputation, subjecting us to potential financial or legal liability and requiring us to incur significant costs, including costs to repair or restore our systems and data or to take other remedial steps.

Even though Occidental has implemented controls and multiple layers of security to mitigate the risks of a cyber attack that it believes are reasonable, there can be no assurance that such cyber security measures will be sufficient to prevent security breaches of its systems from occurring, and if a breach occurs, it may remain undetected for an extended period of time. Further, Occidental has no control over the comparable systems of the third parties with whom it does business. While Occidental has experienced cyber attacks in the past, Occidental has not suffered any material losses. However, if in the future Occidental's cyber security measures are compromised or prove insufficient, the potential consequences to Occidental's businesses and the communities in which it operates could be significant. As cyber attacks continue to evolve in magnitude and sophistication, Occidental may be required to expend additional resources in order to continue to enhance Occidental's cyber security measures and to investigate and remediate any digital and operational systems, related infrastructure, technologies and network security vulnerabilities, which would increase our costs. A system failure or data security breach, or a series of such failures or breaches, could have a material adverse effect on our financial condition, results of operations or cash flows.

Occidental's oil and gas reserve additions may not continue at the same rate and a failure to replace reserves may negatively affect Occidental's business.

Producing oil and natural gas reservoirs generally are characterized by declining production rates that vary depending upon reservoir characteristics and other factors. Unless Occidental conducts successful exploration or development activities, acquires properties containing proved reserves, or both, proved reserves will generally decline and negatively impact our business. The value of our securities and our ability to raise capital will be adversely impacted if we are not able to replace reserves that are depleted by production or replace our declining production with new production. Occidental expects improved recovery, extensions and discoveries to continue as main sources for reserve additions but factors such as geology, government regulations and permits, the effectiveness of development plans and the ability to make the necessary capital investments or acquire capital are partially or fully outside management's control and could cause results to differ materially from expectations.

Occidental's operations and financial results could be significantly negatively impacted by its offshore operations.

Occidental is vulnerable to risks associated with our offshore operations that could negatively impact our operations and financial results. Occidental conducts offshore operations in the Gulf of Mexico and Ghana. Occidental's operations and financial results could be significantly impacted by conditions in some of these areas and are also vulnerable to certain unique risks associated with operating offshore, including those relating to the following:

- Hurricanes and other adverse weather conditions;
- Geological complexities and water depths associated with such operations;
- Limited number of partners available to participate in projects;
- Oilfield service costs and availability;
- Compliance with environmental, safety and other laws and regulations;
- Terrorist attacks or piracy;
- Remediation and other costs and regulatory changes resulting from oil spills or releases of hazardous materials;
- Failure of equipment or facilities; and
- Response capabilities for personnel, equipment or environmental incidents.

In addition, Occidental conducts some of its exploration in deep waters (greater than 1,000 feet) where operations, support services and decommissioning activities are more difficult and costly than in shallower waters. The deep waters in the Gulf of Mexico, as well as international deepwater locations, lack the physical and oilfield service infrastructure present in shallower waters. As a result, deepwater operations may require significant time between a discovery and the time that Occidental can market its production, thereby increasing the risk involved with these operations.

Additional domestic and international deepwater drilling laws, regulations and other restrictions, delays in the processing and approval of drilling permits and exploration, development, oil spill response and decommissioning plans and other offshore-related developments may have a material adverse effect on Occidental's business, financial condition or results of operations.

BOEM and the Bureau of Safety and Environmental Enforcement (BSEE) have imposed more stringent permitting procedures and regulatory safety and performance requirements for new wells to be drilled in federal waters. In addition, these governmental agencies are continuing to evaluate, develop and implement new, more restrictive regulatory requirements, which could result in additional costs, delays, restrictions or obligations with respect to oil exploration and production operations conducted offshore. For example, the BOEM has considered, and may adopt, supplemental bonding procedures for the decommissioning of offshore wells, platforms, pipelines and other facilities, which may be material. Compliance with these more stringent regulatory requirements and with existing environmental and oil spill regulations, together with any uncertainties or inconsistencies in decisions and rulings by governmental agencies, delays in the processing and approval of drilling permits or exploration, development, oil spill response and decommissioning plans and possible additional regulatory initiatives could result in difficult and more costly actions and adversely affect or delay new drilling and ongoing development efforts.

Occidental's indebtedness may make it more vulnerable to economic downturns and adverse developments in its business. Further downgrades in Occidental's credit ratings or future increases in interest rates may negatively impact Occidental's cost of, and ability to access the capital markets.

Occidental's level of indebtedness could increase Occidental's vulnerability to adverse changes in general economic and industry conditions, economic downturns and adverse developments in its business and/or limit Occidental's flexibility in planning for or reacting to changes in its business and the industries in which it operates. From time to time, Occidental has relied on access to the capital markets for funding, including in connection with the Acquisition. There can be no assurance that additional debt or equity financing will be available to Occidental in the future on acceptable terms, or at all. Occidental's ability to obtain additional financing or refinancing will be subject to a number of factors, including general economic and market conditions, Occidental's performance, investor sentiment and its ability to meet existing debt compliance requirements. If Occidental is unable to generate sufficient funds from its operations to satisfy its capital requirements, including its existing debt obligations, or to raise additional capital on acceptable terms, Occidental's business could be adversely affected. As of December 31, 2020, Occidental's long-term debt was rated BB by Fitch Ratings, Ba2 by Moody's Investors Service and BB- by Standard and Poor's. Any additional downgrade in the credit rating of Occidental could negatively impact its cost of, and ability to access, capital and to effectively execute aspects of its strategy and may require Occidental to provide cash collateral, letters of credit or other forms of security under certain contractual agreements, which would increase Occidental's operating costs and reduce liquidity. As a result, further downgrades in Occidental's credit ratings could have a material adverse impact on Occidental's financial condition, operating results or liquidity.

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Further, a portion of Occidental's indebtedness bears interest at variable interest rates, some of which is tied to the London Interbank Offered Rate (LIBOR). In July 2017, the United Kingdom Financial Conduct Authority, which regulates LIBOR, announced that it intends to stop compelling banks to submit rates for the calculation of LIBOR after the end of 2021. In early December 2020, the administrator for LIBOR proposed, subject to market consultation, to end the publication of one week and two month USD LIBOR after December 2021 and remaining USD LIBOR tenors in mid-2023. At the same time, major U.S. bank regulators called upon banks to cease entering into new contracts that use USD LIBOR as a reference rate by the end of 2021 at the latest. The Alternative Reference Rates Committee, a group of market participants convened under the auspices of the U.S. Federal Reserve Board and other U.S. regulators, has recommended the Secured Overnight Financing Rate (SOFR), calculated based on repurchase agreements backed by treasury securities, as its recommended alternative benchmark rate to replace USD LIBOR.

However, at this time, it is not known whether or when SOFR or other proposed alternative reference rates will attain market traction as replacements for LIBOR, and the proposal to cease publication of major USD LIBOR tenors by mid-2023 is not yet final. It is not possible to predict the effect of these changes, other reforms or the establishment of alternative reference rates in the United Kingdom, the United States or elsewhere. These reforms and other pressures will likely cause LIBOR to disappear entirely or to perform differently than in the past. The consequences of these developments cannot be entirely predicted but may include an increase in the cost of Occidental's variable rate indebtedness, including floating rate notes and interest rate swaps, which may have an adverse effect on Occidental's financial condition, operating results or cash flows.

Anadarko's Tronox settlement may not be deductible for income tax purposes; Occidental may be required to repay the tax refund Anadarko received in 2016 related to the deduction of the Tronox settlement payment, which may have a material adverse effect on Occidental's results of operations, liquidity and financial condition.

In April 2014, Anadarko and Kerr-McGee Corporation and certain of its subsidiaries (collectively, Kerr-McGee) entered into a settlement agreement for \$5.2 billion, resolving all claims that were or could have been asserted in connection with the May 2009 lawsuit filed by Tronox against Anadarko and Kerr-McGee in the U.S. Bankruptcy Court for the Southern District of New York. After the settlement became effective in January 2015, Anadarko paid \$5.2 billion and deducted this payment on its 2015 federal income tax return. Due to the deduction, Anadarko had a net operating loss carryback for 2015, which resulted in a tentative tax refund of \$881 million in 2016.

The IRS has audited Anadarko's tax position regarding the deductibility of the payment and in September 2018 issued a statutory notice of deficiency rejecting Anadarko's refund claim. Anadarko disagreed and filed a petition with the U.S. Tax Court to dispute the disallowance in November 2018. The case was in the IRS appeals process until the second quarter of 2020; however, it has since been returned to the U.S. Tax Court where Occidental expects to continue pursuing resolution. In accordance with Accounting Standards Codification (ASC) Topic 740's guidance on the accounting for uncertain tax positions, as of December 31, 2020, Occidental has recorded no tax benefit on the tentative cash tax refund. If the payment is ultimately determined not to be deductible, Occidental would be required to repay the tentative refund received plus interest totaling approximately \$1.2 billion as of December 31, 2020, which could have a material adverse effect on our liquidity and consolidated balance sheets. Occidental's consolidated financial statements include an uncertain tax position for the tentative cash tax refund (\$898 million in federal taxes and \$27 million in state taxes) plus accrued interest of approximately \$255 million. This amount is not covered by insurance. For additional information on income taxes, see [Note 11 - Lawsuits, Claims, Commitments and Contingencies](#) in the Notes to Consolidated Financial Statements in Part II Item 8 of this Form 10-K.

Occidental may not be able to complete its planned divestitures of certain assets on favorable terms or at all.

Since the Acquisition, Occidental has realized \$8.2 billion of after-tax net proceeds from significant asset divestitures. The completion of any future divestitures will be subject to customary closing conditions, and certain of the divestitures may be conditioned on the receipt of required government and regulatory approvals. Occidental may not be able to complete its planned divestitures on favorable terms, in a timely manner or at all. Any difficulties with respect to the completion of the planned divestitures could have a material adverse effect on Occidental's business, financial condition, results of operations, cash flows and/or stock price. See [Note 4 - Divestitures and Other Transactions](#) in the Notes to Consolidated Financial Statements in Part II Item 8 of this Form 10-K for information about the Total transaction.

Occidental's future results could be adversely affected if it is unable to execute new business strategies effectively.

Occidental's results of operations depend on the extent to which it can execute new business strategies effectively. Occidental's strategies, which include reaching net-zero emissions with its operations before 2040, are subject to business, economic and competitive uncertainties and contingencies, many of which are beyond its control. Additionally, Occidental may be forced to develop or implement new technologies at substantial costs to achieve its strategies. These uncertainties and costs could cause Occidental to not be able to fully implement or realize the anticipated results and benefits of its business strategies.

RISK FACTORS

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 3. LEGAL PROCEEDINGS

For information regarding legal proceedings, see the information under Lawsuits, Claims, Commitments and Contingencies in the Management's Discussion and Analysis section of this Form 10-K and in Note 11 - Lawsuits, Claims, Commitments and Contingencies in the Notes to Consolidated Financial Statements.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

INFORMATION ABOUT OUR EXECUTIVE OFFICERS

Each executive officer holds his or her office from the date of election by the Board of Directors until the first board meeting held after the next Annual Meeting of Stockholders or until his or her removal or departure or a successor is duly elected, if earlier.

The following table sets forth the executive officers of Occidental as of February 26, 2021:

Name Current Title	Age at February 26, 2021	Positions with Occidental and Employment History
Marcia E. Backus Senior Vice President, General Counsel and Chief Compliance Officer	66	Senior Vice President, General Counsel and Chief Compliance Officer since December 2016; Senior Vice President, General Counsel, Chief Compliance Officer and Corporate Secretary, 2015-2016; Vice President, General Counsel and Corporate Secretary, 2014-2015; Vice President and General Counsel, 2013-2014; Vinson & Elkins: Partner, 1990-2013.
Peter J. Bennett Vice President	53	Vice President since 2016 and President, Commercial Development U.S. Onshore Resources and Carbon Management since October 2020; President and General Manager of Permian Resources and the Rockies, 2020; Senior Vice President, Permian Resources, 2018-2020; President and General Manager - Permian Resources New Mexico, 2017-2018; Chief Transformation Officer, 2016-2017; Vice President Operations Planning & Portfolio Management, 2016; Vice President Operations Portfolio & Integrated Planning, 2015-2016; Vice President Operations Planning & Optimization, 2014-2015.
Christopher O. Champion Vice President, Chief Accounting Officer and Controller	51	Vice President, Chief Accounting Officer and Controller since August 2019; Anadarko Petroleum Corporation: Senior Vice President, Chief Accounting Officer and Controller, 2017-2019; Vice President, Chief Accounting Officer and Controller 2015-2017; KPMG LLP: Audit Partner, 2003-2015.
Kenneth Dillon Senior Vice President	61	Senior Vice President since December 2016; President - International Oil and Gas Operations since June 2016; Senior Vice President - Operations and Major Projects, 2014-2016; Senior Vice President - Major Projects, 2012-2014.
Vicki Hollub President and Chief Executive Officer	61	President, Chief Executive Officer and Director since April 2016; President, Chief Operating Officer and Director, 2015-2016; Senior Executive Vice President and President, Oxy Oil and Gas, 2015; Executive Vice President and President Oxy Oil and Gas - Americas, 2014-2015; Vice President and Executive Vice President, U.S. Operations, Oxy Oil and Gas, 2013-2014.
Richard A. Jackson Senior Vice President	45	Senior Vice President since November 2020; President Operations U.S. Onshore Resources and Carbon Management since October 2020; President and General Manager, EOR and Oxy Low Carbon Ventures, LLC, 2020; President Low Carbon Venture, 2019-2020; Senior Vice President, Operation Support, 2018-2019; Vice President, Investor Relations, 2017-2018; President and General Manager Permian Resources Delaware Basin, 2014-2017; Vice President of Drilling Americas, 2011-2014.
Robert L. Peterson Senior Vice President and Chief Financial Officer	50	Senior Vice President and Chief Financial Officer since April 2020; Senior Vice President, Permian EOR, 2019-2020; Vice President Permian Strategy, 2018-2019; Director Permian Business Area, 2017-2018; President OxyChem, 2014-2017.

Part II
ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

MARKET INFORMATION, HOLDERS AND DIVIDEND POLICY

Occidental's common stock is listed and traded on the New York Stock Exchange under the ticker symbol "OXY." The common stock was held by approximately 28,200 stockholders of record at January 31, 2021, which does not include beneficial owners for whom Cede and Co. or others act as nominees.

Occidental's current annualized dividend rate is \$0.04 per share. The declaration of future dividends is a business decision made by the Board of Directors from time to time and will depend on Occidental's financial condition and other factors deemed relevant by the Board.

SHARE REPURCHASE ACTIVITIES

Occidental's share repurchase activities for the year ended December 31, 2020, were as follows:

Period	Total Number of Shares Purchased ^(a)	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number of Shares that May Yet Be Purchased Under the Plans or Programs
First Quarter 2020	—	\$ —	—	
Second Quarter 2020	157,808	\$ 24.40	—	
Third Quarter 2020	—	\$ —	—	
October 1 - 31, 2020	—	\$ —	—	
November 1 - 30, 2020	164,077	\$ 12.70	—	
December 1 - 31, 2020	313,698	\$ 17.65	—	
Fourth Quarter 2020	477,775	\$ 15.95	—	
Total 2020	635,583	\$ 18.05	—	44,206,787 ^(b)

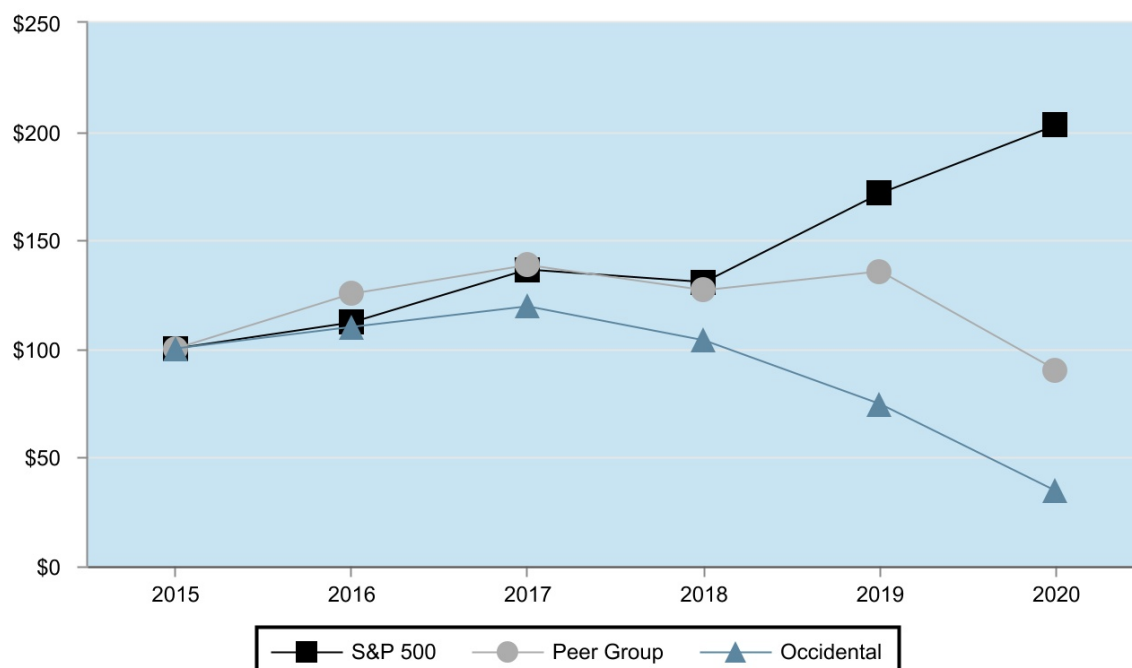
^(a) All 2020 purchases were from the trustee of Occidental's defined contribution savings plan.

^(b) Represents the total number of shares remaining at year end under Occidental's share repurchase program of 185 million shares. The program was initially announced in 2005. The program does not obligate Occidental to acquire any specific number of shares and may be discontinued at any time.

PERFORMANCE GRAPH

The following graph compares the yearly percentage change in Occidental's cumulative total return on its common stock with the cumulative total return of the Standard & Poor's 500 Stock Index (S&P 500), which includes Occidental with that of Occidental's peer group over the five-year period ended December 31, 2020. The graph assumes that \$100 was invested at the beginning of the five-year period shown in the graph below in: (i) Occidental common stock, (ii) the stock of the companies in the S&P 500 and (iii) each of the peer group companies' common stock weighted by their relative market capitalization within the peer group and that all dividends were reinvested. The cumulative total return of the peer group companies' common stock includes the cumulative total return of Occidental's common stock.

Occidental's peer group consists of BP p.l.c., Chevron Corporation, ConocoPhillips, EOG Resources, Inc., ExxonMobil Corporation, Royal Dutch Shell plc, Total S.A. and Occidental.



Fiscal Year Ended December 31,	2015	2016	2017	2018	2019	2020
Occidental	\$ 100	\$ 110	\$ 119	\$ 104	\$ 75	\$ 35
Peer Group	\$ 100	\$ 125	\$ 139	\$ 127	\$ 136	\$ 90
S&P 500	\$ 100	\$ 112	\$ 136	\$ 130	\$ 171	\$ 203

The information provided in this Performance Graph shall not be deemed "soliciting material" or "filed" with the SEC or subject to Regulation 14A or 14C under the Exchange Act, other than as provided in Item 201 to Regulation S-K under the Exchange Act, or subject to the liabilities of Section 18 of the Exchange Act and shall not be deemed incorporated by reference into any filing under the Securities Act of 1933 or the Exchange Act except to the extent Occidental specifically requests that it be treated as soliciting material or specifically incorporates it by reference.

ITEM 6. SELECTED FINANCIAL DATA

<i>millions, except per-share amounts</i>	2020	2019 ^(a)	2018	2017	2016
RESULTS OF OPERATIONS ^(b)					
Net sales	\$ 17,809	\$ 20,911	\$ 17,824	\$ 12,508	\$ 10,090
Income (loss) from continuing operations	\$ (13,533)	\$ (507)	\$ 4,131	\$ 1,311	\$ (1,002)
Net income (loss) attributable to common stockholders	\$ (15,675)	\$ (985)	\$ 4,131	\$ 1,311	\$ (574)
Net income (loss) from continuing operations attributable to common stockholders - basic per common share	\$ (15.65)	\$ (1.20)	\$ 5.40	\$ 1.71	\$ (1.31)
Net income (loss) attributable to common stockholders - basic per common share	\$ (17.06)	\$ (1.22)	\$ 5.40	\$ 1.71	\$ (0.75)
Net income (loss) attributable to common stockholders - diluted per common share	\$ (17.06)	\$ (1.22)	\$ 5.39	\$ 1.70	\$ (0.75)
FINANCIAL POSITION ^(b)					
Total assets	\$ 80,064	\$ 107,190	\$ 42,159	\$ 42,026	\$ 43,109
Long-term debt, net	\$ 35,745	\$ 38,537	\$ 10,201	\$ 9,328	\$ 9,819
Stockholders' equity	\$ 18,573	\$ 34,232	\$ 21,330	\$ 20,572	\$ 21,497
MARKET CAPITALIZATION ^(c)					
	\$ 16,124	\$ 36,846	\$ 45,998	\$ 56,357	\$ 54,437
CASH FLOW FROM CONTINUING OPERATIONS					
Operating:					
Cash flow from continuing operations	\$ 3,842	\$ 7,336	\$ 7,669	\$ 4,861	\$ 2,520
Investing:					
Capital expenditures	\$ (2,535)	\$ (6,367)	\$ (4,975)	\$ (3,599)	\$ (2,717)
Payments for purchases of assets and businesses	\$ (114)	\$ (28,088)	\$ (928)	\$ (1,064)	\$ (2,044)
Sales of assets, net	\$ 2,281	\$ 6,143	\$ 2,824	\$ 1,403	\$ 302
Cash provided (used) by all other investing activities, net	\$ (410)	\$ (540)	\$ (127)	\$ 181	\$ (284)
Financing:					
Cash dividends paid	\$ (1,845)	\$ (2,624)	\$ (2,374)	\$ (2,346)	\$ (2,309)
Purchases of treasury stock	\$ (12)	\$ (237)	\$ (1,248)	\$ (25)	\$ (22)
Proceeds from long-term debt, net - Occidental	\$ 6,936	\$ 21,557	\$ 978	\$ —	\$ 4,203
Payment of long-term debt, net - Occidental	\$ (8,916)	\$ (6,959)	\$ (500)	\$ —	\$ (2,710)
Proceeds from issuance of common and preferred stock	\$ 134	\$ 10,028	\$ 33	\$ 28	\$ 36
Cash provided (used) by all other financing activities, net	\$ (805)	\$ 431	\$ 9	\$ —	\$ —
DIVIDENDS PER COMMON SHARE					
	\$ 0.82	\$ 3.14	\$ 3.10	\$ 3.06	\$ 3.02
WEIGHTED-AVERAGE BASIC SHARES OUTSTANDING					
	919	810	762	765	764

^(a) Summary financial information included the impact of the Acquisition, see [Note 3 - The Acquisition](#) in the Notes to Consolidated Financial Statements in Part II Item 8 of this Form 10-K. Summary results of operations from the date of the Acquisition to December 31, 2019 included the results of WES, a previously consolidated subsidiary. See [Note 1 - Summary of Significant Accounting Policies](#) in the Notes to Consolidated Financial Statements in Part II Item 8 of this Form 10-K.

^(b) See the MD&A section of this report and the Notes to Consolidated Financial Statements for information regarding acquisitions and dispositions, discontinued operations and other charges affecting comparability.

^(c) Market capitalization is calculated by multiplying the year-end total shares of common stock issued, less shares held as treasury stock, by the year-end closing stock price.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (MD&A)

The following discussion should be read together with the Consolidated Financial Statements and the Notes to Consolidated Financial Statements, which are included in this Form 10-K in Item 8 and the information set forth in Risk Factors under Part 1, Item 1A.

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CURRENT BUSINESS OUTLOOK AND STRATEGY

GENERAL

Occidental's operations, financial condition, cash flows and levels of expenditures are highly dependent on oil prices and, to a lesser extent, NGL and natural gas prices, the Midland-to-Gulf-Coast oil spreads and the prices it receives for its chemical products. The worldwide economy has been severely impacted by the ongoing effects of the COVID-19 pandemic, which began during the first quarter of 2020. In the first quarter, travel restrictions and stay-at-home orders were implemented for much of the world to limit the spread of COVID-19. Though certain restrictions have been lifted, some areas have recently reinstated stay at home orders and oil and gas demand remains below pre-pandemic levels. On April 12, 2020, certain members of the OPEC and 10 non-OPEC partner countries (OPEC+) agreed to production cuts intended to mitigate the oil supply and demand imbalance to stabilize prices. On January 5, 2021, OPEC+ agreed to extend the cuts through March 2021. These production cuts coupled with declining U.S. production helped mitigate the supply and demand imbalance. While the spot WTI oil price has recovered to above \$60.00/Bbl as of the date of this filing, the average daily WTI oil price fell from \$57.03/Bbl in 2019 to \$39.40/Bbl in 2020 or 31 percent. We expect that the oil supply and demand balance and consequently oil prices in the near-term will continue to be influenced by the duration and severity of the COVID-19 pandemic; the effectiveness and pace of the distribution of the recently approved vaccines; and OPEC+ and U.S. production levels.

LIQUIDITY

In response to the dramatic drop in oil prices and the current macroeconomic environment, Occidental has taken significant measures to increase its near and mid-term liquidity and address near-term debt maturities. Specifically, during 2020 Occidental:

- Reduced its 2020 capital budget to \$2.6 billion from a range of \$5.2 billion to \$5.4 billion, a midpoint reduction of approximately 50%;
- Made significant cuts to its 2020 operating and corporate costs. On an annualized basis, Occidental has realized \$1.5 billion of overhead savings and over \$900 million in operating cost savings, of which a majority is expected to remain permanent in future years;
- Reduced the quarterly common stock dividend to \$0.01 per share from \$0.79 per share, effective July 2020, which on an annualized basis, will reduce its common stock dividend outlay by approximately \$2.9 billion;
- Elected to pay the preferred stock dividend paid in the second and third quarters of 2020 in the form of shares of common stock, in lieu of cash, preserving \$400 million of liquidity. Occidental elected to pay the dividend paid in the fourth quarter in cash. The Board of Directors will continue to assess market conditions and Occidental's financial condition on a quarterly basis to determine whether the preferred stock dividend will be paid in shares of stock, in cash or a combination of shares of common stock and cash;
- Entered into a new receivable securitization facility that provides additional liquidity of up to \$400 million;
- Issued \$7.0 billion in senior unsecured notes (the Senior Notes Offerings) during 2020 to extend certain debt maturities in 2021-2023 to 2025-2031;
- Since the Acquisition, completed significant asset divestitures for net proceeds of approximately \$8.2 billion;
- Used the net proceeds from asset sales, cash on hand and Senior Notes Offerings to retire or tender \$6.0 billion of 2021, \$2.7 billion of 2022 and \$264 million of 2023 maturities; and
- Exchanged approximately 27.9 million WES common units to retire a \$260 million note payable to WES due 2038.

In 2019, Occidental entered into three-way oil collar and call derivative instruments to reduce its exposure to commodity price risk and increase the predictability of near-term cash flows. The majority of the collars settled in 2020 with the receipt of cash of \$960 million. The remaining \$52 million settled in 2021. See [Note 9 - Derivatives](#) in the Notes to Consolidated Financial Statements in Part II, Item 8 of this Form 10-K.

Occidental believes the actions outlined above enhance its liquidity position to fund its operations. Occidental will continue to evaluate the economic environment, as well as the commodity price environment, and may make further adjustments to its future levels of expenditures and operating and corporate costs. However, the ultimate impact of the COVID-19 pandemic on Occidental's results of operations, cash flows and financial position are unknown, and those impacts could be material. Additionally, actions taken in response to the current macro-environment may result in the long-term reduction of its capital expenditure and production profile.

DEBT AND INTEREST RATE SWAPS

With the completion of the liquidity measures above, as of the date of this filing, Occidental has debt maturities of approximately \$371 million in 2021, \$2.1 billion in 2022 and \$0.9 billion in 2023.

Occidental's \$2.3 billion Zero Coupon senior notes due 2036 (Zero Coupons) can be put to Occidental in October of each year, in whole or in part, for the then accreted value of the outstanding Zero Coupons. An immaterial amount was put

to Occidental in 2020. The Zero Coupons can next be put to Occidental in October 2021, which, if put in whole, would require a payment of approximately \$1.0 billion at such date. Occidental currently has the intent and ability to meet this obligation, including, if necessary, using amounts available under the revolving credit facility (RCF) should the put right be exercised.

Interest rate swaps with a notional value of \$750 million and fair value of \$894 million, as of December 31, 2020, have mandatory termination dates in September 2021. Interest rate swaps with a notional value of \$725 million and fair value of \$876 million, as of December 31, 2020, have mandatory termination dates in September 2022 and 2023. The interest rate swaps fair value, and cash required to settle them on their termination dates, will continue to fluctuate with changes in interest rates through the mandatory termination dates.

As of December 31, 2020, Occidental had approximately \$2.0 billion of cash and cash equivalents on hand. As of the date of this filing, \$5.0 billion of borrowing capacity under its existing RCF, which matures in 2023. Occidental continues to pursue divestitures of certain assets and intends to use the net proceeds from asset sales and excess free cash flow to repay its nearer-term debt maturities, but the expected timing and final proceeds from such asset sales are uncertain. Occidental currently expects its cash on hand and funds available under its RCF to be sufficient to meet its debt maturities, operating expenditures and other obligations for the next 12 months from the date of this filing. However, given the inherent uncertainty associated with the duration and severity of the COVID-19 pandemic and its resulting impact on oil demand, Occidental may need to raise capital to fund its operations and refinance debt maturities.

DEBT RATINGS

In connection with the Senior Notes Offerings, Occidental's long-term debt credit ratings were reviewed by the three major rating agencies. As of December 31, 2020, Occidental's long-term debt was rated BB by Fitch Ratings, Ba2 by Moody's Investors Service and BB- by Standard and Poor's. Any additional downgrade in credit ratings could impact Occidental's ability to access capital markets and increase its cost of capital. In addition, given that Occidental's current debt ratings are non-investment grade, Occidental may be requested, and in some cases required, to provide collateral in the form of cash, letters of credit, surety bonds or other acceptable support as financial assurance of its performance and payment obligations under certain contractual arrangements such as pipeline transportation contracts, environmental remediation obligations, oil and gas purchase contracts and certain derivative instruments.

As of the date of this filing, Occidental has provided required financial assurances through a combination of cash, letters of credit and surety bonds and has not issued any letters of credit under the RCF or other committed facilities. For additional information, see Risk Factors in Part I, Item 1A of this Form 10-K.

IMPACT OF COVID-19 PANDEMIC TO GLOBAL OPERATIONS

Occidental is focused on protecting the health and safety of its employees and contractors during the COVID-19 pandemic. Occidental has implemented workplace restrictions in our offices and work sites for health and safety reasons. Occidental has not incurred material costs as a result of new protocols and procedures. Occidental continues to monitor national, state and local government directives where Occidental has operations and/or offices. While Occidental has not incurred any significant disruptions to its day-to-day operations as a result of any workplace restrictions related to the COVID-19 pandemic to date, the extent to which the COVID-19 pandemic adversely affects our business, results of operations and financial condition will depend on future developments, which are highly uncertain.

RECENT GOVERNMENTAL RULE MAKING AND EXECUTIVE ORDERS

In January 2021, the COGCC adopted new regulations that impose siting requirements or "setbacks" on certain oil and gas drilling locations based on the distance of a proposed well pad to occupied structures. Pursuant to the regulations, well pads cannot be located within 500 feet of an occupied structure without the consent of the property owner. As part of the permitting process, the COGCC will consider a series of siting requirements for all drilling locations located between 500 feet and 2,000 feet of an occupied structure. Alternatively, the operator may seek a waiver from each owner and tenant within the designated distance. While Occidental is currently evaluating the impact of these regulations on its business, at this time, Occidental does not anticipate significant near-term changes to our development program in the DJ Basin based on these regulations. However, as a result certain of Occidental's PUD reserves have been derecognized as they no longer meet the regulatory certainty criteria to be considered proved reserves. Occidental's ability to reestablish previously derecognized PUD reserves, as well as establishing new PUD locations will depend upon Occidental establishing a history of obtaining drilling permits under the new regulations and thus meeting the SEC's "reasonably certain" threshold for adding PUD reserves. Occidental currently believes it will be able to successfully navigate the new setback guidelines.

An executive order was issued in January 2021, *Tackling the Climate Crisis at Home and Abroad*, that mandated an indefinite pause on new oil and gas leasing on federal lands, onshore and offshore, while a comprehensive review of oil and gas permitting and leasing is conducted by the U.S. Department of the Interior. In conducting this review, the Secretary of the Interior shall consider whether to adjust royalties associated with oil and gas resources extracted from public lands and offshore waters to account for corresponding climate costs.

In addition, effective January 20, 2021, the Department of the Interior issued an order temporarily elevating the decision-making approval previously delegated to the Department of the Interior's agencies and bureaus, including the BOEM and the BLM, to issue any onshore and offshore fossil fuel authorization for, including but not limited to a lease,

amendment to a lease, affirmative extension of a lease, contract or other agreement or permit to drill to the leadership of the Department of the Interior.

Neither of these orders impact existing operations or permits for ongoing operations under valid leases and does not preclude the issuances of leases, permits and other authorizations. Both of these orders align with the new governmental administration's commitment to addressing climate change, specifically both orders allow for the Department of the Interior to consider potential climate and other impacts associated with oil and gas activities on public lands or in offshore waters.

Approximately 9% of Occidental's onshore net acres are on federal lands while all of its Gulf of Mexico leases are in federal waters.

Occidental is continuing to evaluate the overall impact of these new regulatory issuances on its oil and gas operations on federal leases and will reallocate capital to non-federal leases to the extent there are delays in obtaining permits and other authorizations that would alter the timing of development and exploration programs on federal leases.

STRATEGY

Occidental is focused on delivering a unique shareholder value proposition with its combined integrated asset portfolio, continual enhancements to its organizational capability and commitment to implement innovative carbon management and storage solutions for the reduction of greenhouse gas emissions. Occidental conducts its operations with a focus on sustainability, health, safety and environmental and social responsibility. Capital is employed to operate all assets in a safe and environmentally sound manner. Occidental aims to maximize shareholder returns through a combination of:

- Maximizing capital efficiency to sustain fourth quarter 2020 production levels in order to maximize free cash flow;
- Prioritizing projects to decrease its carbon footprint and create a business model to help other companies lower theirs;
- Reducing financial leverage; and
- Maintaining a robust liquidity position.

KEY PERFORMANCE INDICATORS

Occidental seeks to meet its strategic goals by continually measuring its success against key performance indicators that drive total stockholder return. In addition to efficient capital allocation and deployment discussed below in "Oil and Gas Segment - Business Strategy", Occidental believes the following are its most significant performance indicators:

SAFETY

- Injury Incidence Rate (IIR) and Days Away Restricted Transfer rate (DART) - Occidental's combined employee and contractor IIR is determined by multiplying the total number of Occupational Safety and Health Administration (OSHA) recordable injuries and illnesses by 200,000 and dividing that result by the total number of hours worked by all employees and contractors. The DART rate is calculated in the same manner as IIR, but uses the number of incidents that resulted in days away from work, job transfer, or restricted job duties instead of the number of recordable injuries or illnesses.

OPERATIONAL

- Annual cost synergies - Post Acquisition, Occidental has focused on an annualized reduction in overhead and operating expense strategies from the historical amounts of Occidental and Anadarko, and exceeded its initial goal of at least \$1.1 billion by realizing \$2.3 billion in total synergies and additional cost savings on an annualized basis in 2020.
- Total spend per barrel - In 2021, Occidental will focus on controlling total costs from a per-barrel perspective. Total spend per barrel is the sum of capital spending, general and administrative expenses, other operating and non-operating expenses and oil and gas lease operating costs divided by global oil, NGL and natural gas sales volumes.

FINANCIAL

- Cash returns on capital employed (CROCE) - CROCE is calculated as (i) the cash flows from operating activities, before changes in working capital, plus distributions from WES, divided by (ii) the average of the opening and closing balances of total equity plus total debt.
- Reduce financial leverage.

SUSTAINABILITY AND ENVIRONMENTAL

- Advancing specific Carbon Capture, Use and Sequestration projects;
- Net-zero operational and energy use emissions before 2040, with an ambition to achieve before 2035;
- Net-zero total emissions inventory including product use with an ambition to achieve before 2050; and
- Total carbon impact through carbon removal and storage technology and development past 2050.

OIL AND GAS SEGMENT

BUSINESS STRATEGY

Occidental's oil and gas segment focuses on long-term value creation and leadership in sustainability, health, safety and the environment. In each core operating area, Occidental's operations benefit from scale, technical expertise, decades of high-margin inventory, environmental and safety leadership and commercial and governmental collaboration. These attributes allow Occidental to bring additional production quickly to market, extend the life of older fields at lower costs and provide low-cost returns-driven growth opportunities with advanced technology.

With the completion of the Acquisition, Occidental became one of the largest U.S. producers of liquids, which includes oil, condensate and NGL, allowing Occidental to maximize cash margins on a Boe basis. Since the Acquisition, Occidental has focused on its divestiture program to divest of non-core assets to pay down near-term debt maturities, however, the advantages that Occidental's portfolio provides, coupled with unmatched subsurface characterization ability and the proven ability to execute, ensures that Occidental is positioned for full-cycle success in the years ahead. The oil and gas segment has realized synergies to deliver lower breakeven costs and generate excess free cash flow. Since the Acquisition, Occidental completed the sale of significant non-core assets for net proceeds of approximately \$8.2 billion.

Despite the pandemic impacts on commodity prices and the overall economy as discussed above, Occidental's assets are strategically positioned to provide a future portfolio of projects that are flexible and have short-cycle investment paybacks. Together with Occidental's technical capabilities, the oil and gas segment strives to achieve low development and operating costs to maximize full-cycle value of the assets.

The oil and gas business implements Occidental's strategy primarily by:

- Operating and developing areas where reserves are known to exist and optimizing capital intensity in core areas, primarily in the Permian Basin, DJ Basin, Gulf of Mexico, UAE, Oman and Algeria;
- Maintaining a disciplined and prudent approach to capital expenditures with a focus on high-return, short-cycle, cash-flow-generating opportunities and an emphasis on creating value and further enhancing Occidental's existing positions;
- Focusing Occidental's subsurface characterization and technical activities on unconventional opportunities, primarily in the Permian Basin;
- Using EOR techniques, such as CO₂, water and steam floods in mature fields; and
- Focusing on cost-reduction efficiencies and innovative technologies to reduce carbon emissions.

In 2020, oil and gas capital expenditures were approximately \$2.2 billion and primarily focused on Occidental's assets in the Permian Basin, DJ Basin, Gulf of Mexico and Oman.

OIL AND GAS PRICE ENVIRONMENT

Oil and gas prices are the major variables that drive the industry's financial performance. The following table presents the average daily West Texas Intermediate (WTI) and Brent prices for oil in dollars per barrel (\$/Bbl) and New York Mercantile Exchange (NYMEX) natural gas prices for 2020 and 2019:

	2020	2019	% Change
WTI Oil (\$/Bbl)	\$ 39.40	\$ 57.03	(31)%
Brent Oil (\$/Bbl)	\$ 43.21	\$ 64.18	(33)%
NYMEX Natural Gas (\$/Mcf)	\$ 2.11	\$ 2.67	(21)%

The following table presents Occidental's average realized prices for continuing operations as a percentage of WTI, Brent and NYMEX for 2020 and 2019:

	2020	2019
Worldwide oil as a percentage of average WTI	95 %	99 %
Worldwide oil as a percentage of average Brent ^(a)	87 %	88 %
Worldwide NGL as a percentage of average WTI	32 %	30 %
Worldwide NGL as a percentage of average Brent ^(a)	29 %	27 %
Domestic natural gas as a percentage of NYMEX	56 %	49 %

^(a) Prior period percentages have been adjusted to reflect the Algeria operations as continuing operations.

Prices and differentials can vary significantly, even on a short-term basis, making it difficult to predict realized prices with a reliable degree of certainty.

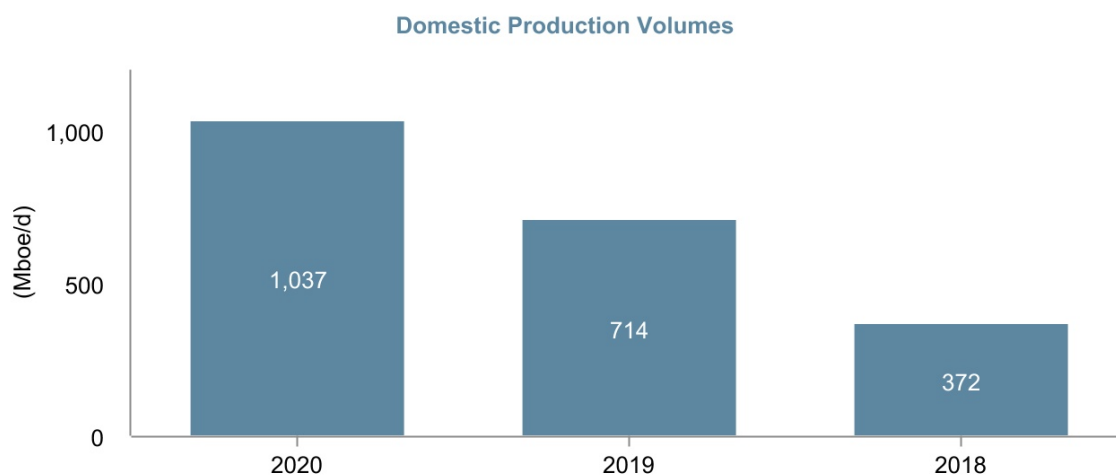
As a result of the expected prolonged period of lower commodity prices brought on by the COVID-19 pandemic's impact on oil demand, Occidental tested substantially all of its oil and gas assets for impairment during the second quarter of 2020. Occidental recognized pre-tax impairment charges of \$6.4 billion related to continuing operations and \$2.2 billion related to discontinued operations for the three months ended June 30, 2020. While oil prices have modestly improved since the second quarter of 2020, if there was a worsening of the macroeconomic conditions caused by the impacts of COVID-19 and if such worsened condition was expected to be prolonged, Occidental's oil and gas properties may be subject to further testing for impairment, which could result in additional non-cash asset impairments, and such impairments could be material to our financial statements.

DOMESTIC INTERESTS

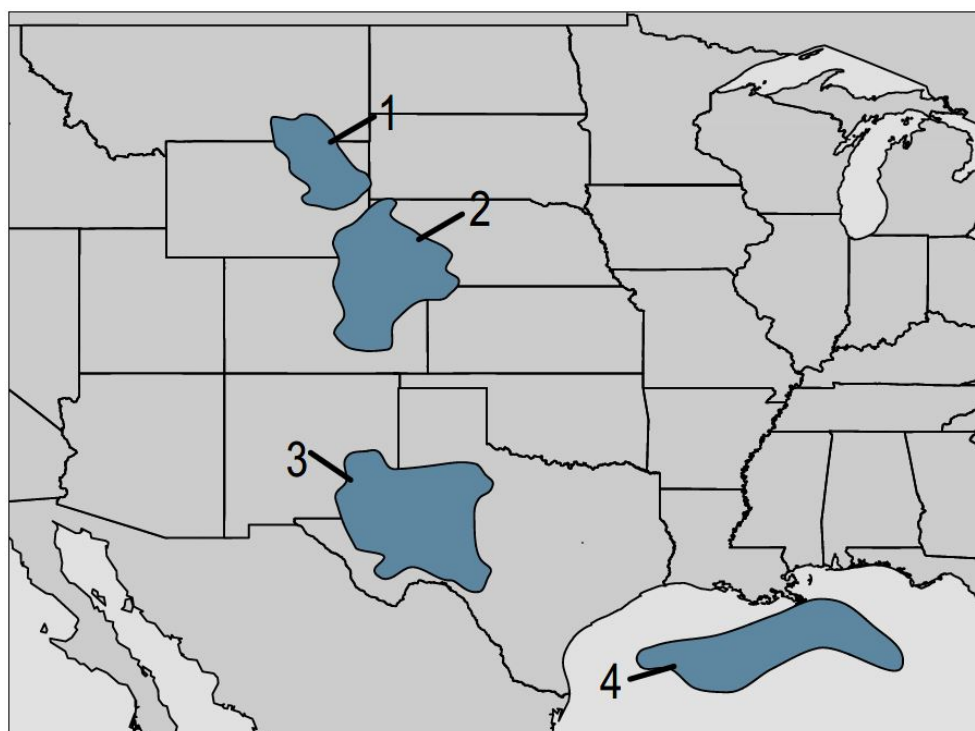
BUSINESS REVIEW

Occidental conducts its domestic operations through land leases, subsurface mineral rights it owns, or a combination of both. Occidental's domestic oil and gas leases have a primary term ranging from one to 10 years, which is extended through the end of production once it commences. Occidental has leasehold and mineral interests in 9.5 million net acres, of which approximately 52% is leased, 24% is owned subsurface mineral rights and 24% is owned land with mineral rights.

The following chart shows Occidental's domestic production volumes for the previous three years in thousand barrels of oil equivalent (Mboe) per day:



DOMESTIC ASSETS ^(a)



1. Powder River Basin
2. DJ Basin
3. Permian Basin
4. Gulf of Mexico

(a) Map represents geographic outlines of the respective basins.

The Permian Basin

The Permian Basin extends throughout West Texas and southeast New Mexico and is one of the largest and most active oil basins in the United States, accounting for more than 36% of total United States oil production in 2020.

Occidental manages its Permian Basin operations through two business units: Permian Resources, which includes unconventional opportunities, and Permian EOR, which utilizes EOR techniques such as CO₂ floods and waterfloods. Occidental has a leading position in the Permian Basin, producing approximately 13% of total oil in the basin. By exploiting the natural synergies between Permian Resources and Permian EOR, Occidental is able to deliver unique short- and long-term advantages, efficiencies and expertise across its Permian Basin operations.

Permian Resources unconventional oil development projects provide very short-cycle investment payback, averaging less than two years, and generate some of the highest margin and returns of any oil and gas projects in the world. These investments contribute cash flow, while increasing long-term value and sustainability through higher return on capital employed. Occidental's oil and gas operations in Permian Resources include approximately 1.6 million net acres. In 2020, new well design and flowback methods were implemented, which helped lower the overall well cost while improving recovery. Overall in 2020, Permian Resources produced approximately 435 Mboe/d from approximately 6,000 gross wells. Additionally in 2020, Permian Resources added 122 million barrels of oil equivalent (MMboe) to Occidental's proved reserves for improved recovery additions.

The Permian Basin's concentration of large conventional reservoirs, favorable CO₂ flooding performance and the expansive CO₂ transportation and processing infrastructure has resulted in decades of high-value enhanced oil production. With 34 active CO₂ floods and over 40 years of experience, Occidental is the industry leader in Permian Basin CO₂ flooding, which can increase ultimate oil recovery by 10% to 25%. Technology improvements, such as the recent trend toward vertical expansion of the CO₂ flooded interval into residual oil zone targets, continue to yield more recovery from existing projects. Occidental's share of production from Permian EOR was approximately 140 Mboe/d in 2020.

Significant opportunities also remain to gain additional recovery by expanding Occidental's existing CO₂ projects into new portions of reservoirs that have only been water-flooded. Permian EOR has a large inventory of future CO₂ projects, which could be developed over the next 20 years or accelerated, depending on market conditions. In addition, OLCV continues making progress towards supplying anthropogenic, or man-made, CO₂ for the purpose of carbon capture, utilization and storage in Occidental's Permian EOR operations.

In 2020, Occidental spent approximately \$1.1 billion of capital in the Permian Basin, of which over 87% was spent on Permian Resources assets. Also in 2020, Occidental divested of certain non-core, largely non-operated acreage in the Permian Basin. In 2021, Occidental expects to allocate approximately 38% of its worldwide capital budget to the Permian Basin.

DJ Basin

Occidental remains Colorado's top oil and gas producer with interest in approximately 0.7 million net acres in Colorado. Production is derived from 2,500 operated vertical wells and 2,100 operated horizontal wells primarily focused in 460,000 net acres in the Niobrara and Codell formations. The DJ Basin provides competitive economics, low breakeven costs and free cash flow generation.

Occidental produced approximately 293 Mboe/d in the DJ Basin in 2020. Horizontal drilling results in the field continue to be strong, with improved operational efficiencies in drilling and completions. In 2020, Occidental drilled 65 operated horizontal wells and completed 117 operated horizontal wells.

Occidental is currently fully permitted for all planned 2021 completions activity and has received drilling permits for all planned drilling activity through the first half of 2021. New statewide regulations were adopted in the fourth quarter of 2020 and became effective in mid-January 2021. Occidental's focus for 2021 is continuing to build operational inventory while implementing the new regulations and maintaining social licenses to operate. Occidental additionally continues to have development optionality by flexing resources between the DJ Basin and another emerging high rate-of-return program in the Powder River Basin.

As discussed above, in January 2021, the COGCC adopted new regulations that impose siting requirements or "setbacks" on certain oil and gas drilling locations based on the distance of a proposed well pad to occupied structures. While Occidental is currently evaluating the impact of these regulations on its business; at this time, Occidental does not anticipate significant near-term changes to our development program in the DJ Basin based on these regulations. However, if Occidental is unable to obtain new drilling permits to develop a significant portion of the company's undeveloped acreage in the DJ Basin, the company's DJ Basin assets may be subject to testing for impairment, and if deemed to be impaired, such impairment could be material to our financial statements.

Other Domestic

Occidental holds approximately 5.0 million net acres in other domestic locations, which is primarily comprised of the Powder River Basin, North DJ Basin and Wyoming. Occidental's share of production in other domestic locations was approximately 39 Mboe/d in 2020.

OFFSHORE DOMESTIC ASSETS

Gulf of Mexico

Occidental owns a working interest in 182 blocks in the Gulf of Mexico, operates 10 active floating platforms and holds interests in 17 active fields. The Gulf of Mexico produced approximately 130 Mboe/d during 2020. In 2021, Occidental will continue to take advantage of its extensive infrastructure across the Gulf of Mexico to execute its long-term plan for development and exploration. Occidental will operate one floating drillship and one platform rig together with two multi-service vessels to cost effectively develop known resources.

Occidental continues to work with the BSEE and the BOEM to address the additional regulatory requirements to ensure a minimal disruption of activities in the Gulf of Mexico.

The following table shows areas of continuing development in the Gulf of Mexico along with the corresponding working interest in those areas.

	Working Interest
Horn Mountain	100 %
Holstein	100 %
Marlin	100 %
Lucius	64 %
K2 Complex	42 %
Caesar Tonga	34 %
Constellation	33 %

INTERNATIONAL INTERESTS

BUSINESS REVIEW

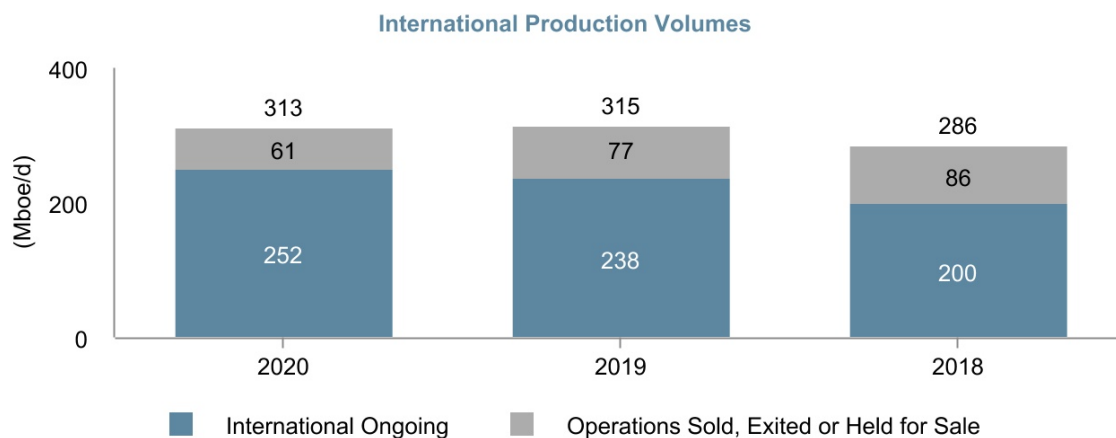
Occidental conducts its ongoing international operations in two sub-regions: the Middle East and Africa. Its activities include oil, NGL and natural gas production through direct working-interests and production sharing contracts (PSC).

Production Sharing Contracts

Occidental's interest in Oman and Qatar are subject to PSCs. Under such contracts, Occidental records a share of production and reserves to recover certain development and production costs and an additional share for profit. These contracts do not transfer any right of ownership to Occidental and reserves reported from these arrangements are based on

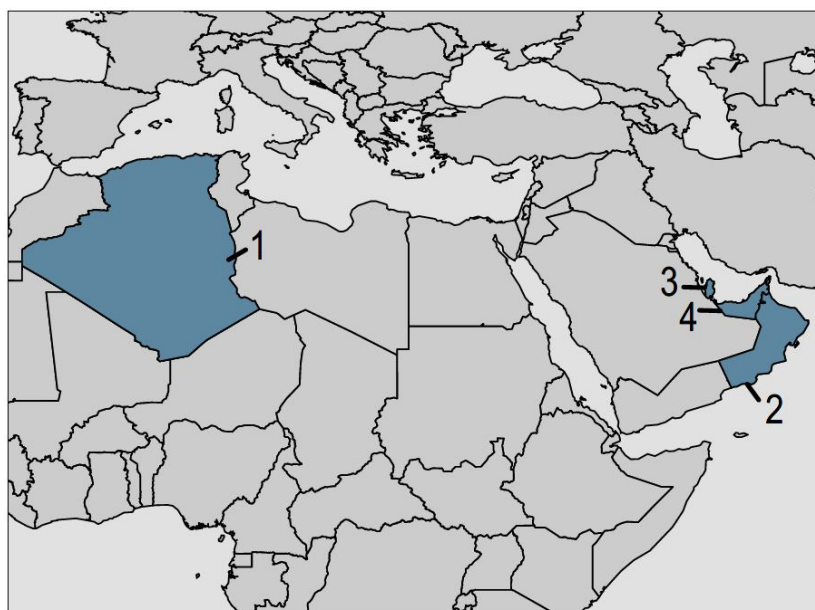
Occidental's economic interest as defined in the contracts. Occidental's share of production and reserves from these contracts decreases when product prices rise and increases when prices decline. Overall, Occidental's net economic benefit from these contracts is greater when product prices are higher.

The following chart shows Occidental's international production volumes for the previous three years:



Note: Operations sold, exited or held for sale include the Ghana assets (held for sale at December 31, 2020 and 2019), the Colombia onshore assets (sold in December 2020) and the Qatar Idd El Shargi Fields (exited in 2019).

MIDDLE EAST / NORTH AFRICA ASSETS



- 1. Algeria
- 2. Oman
- 3. Qatar
- 4. United Arab Emirates

Algeria

In April 2020, subsequent to communications with Algerian government officials, Occidental determined that the sale of the Algeria operations to Total would not be consummated and the decision was made to continue to operate within Algeria. As a result, Occidental reclassified 2019 results to reflect the Algeria operations as continuing operations. Operations in Algeria involve production and development activities in 18 fields within Blocks 404A and 208, which are located in the Berkine Basin in Algeria's Sahara Desert and are governed by a Production Sharing Agreement (PSA) between Occidental, Sonatrach and other partners. Under this PSA, Occidental is responsible for 24.5% of the development and production costs. The El Merk Central Processing Facility (CPF) in Block 208 processed produced oil and NGL, while the Hassi Berkine

South and Ourhoud CPFs in Block 404A processed produced oil. In 2020, Occidental drilled two development wells and plans to continue drilling operations throughout 2021. Net production in Algeria was 44 Mboe/d in 2020.

Oman

In Oman, Occidental is the operator of Block 9 with a 50% working interest, Block 27 with a 65% working interest, Block 53 with a 47% working interest and Block 62 with a 100% working interest. Occidental additionally has exploration and production sharing agreements for Blocks 30, 51, 65 and 72. Occidental holds 6.0 million gross acres and has 10,000 potential well inventory locations. In 2020, Occidental's share of production was 85 Mboe/d.

The Block 9 contract expires in 2030 and the Block 27 contract expires in 2035. Occidental's share of production for Blocks 9 and 27 was 30 Mboe/d and six Mboe/d in 2020, respectively. The Block 53 (Mukhaizna Field) contract expires in 2035 and is a major world-class pattern steam flood project for EOR that utilizes some of the largest mechanical vapor compressors ever built. Since assuming operations in Mukhaizna in 2005, Occidental has drilled over 3,550 new wells and has increased gross production by over 15 fold. Occidental's share of production for Block 53 was 30 Mboe/d in 2020. Subject to a declaration of commerciality, Occidental's permit for Block 62 will expire in 2028. Occidental's share of production for Block 62 was 19 Mboe/d in 2020.

Qatar

In Qatar, Occidental partners in the Dolphin Energy Project, an investment that is comprised of two separate economic interests. Occidental has a 24.5% interest in the upstream operations (Dolphin) to develop and produce NGL, natural gas and condensate from Qatar's North Field through mid-2032. Occidental also has a 24.5% interest in Dolphin Energy Limited, which operates a pipeline and is discussed further in the Midstream and Marketing Segment section in this Form 10-K under Pipeline. Occidental's net share of production from the Dolphin upstream operations was 44 Mboe/d in 2020.

United Arab Emirates

In 2011, Occidental acquired a 40% participating interest in the Shah gas field (Al Hosn Gas), joining with the Abu Dhabi National Oil Company (ADNOC) in a 30-year joint venture agreement. In 2020, Occidental's share of production from Al Hosn Gas was 238 MMcf/d of natural gas and 38 Mboe/d of NGL and condensate. Al Hosn Gas includes gas processing facilities which are discussed further in the Midstream and Marketing Segment section in this Form 10-K under Gas Processing, Gathering and CO₂.

In 2019 and 2020, Occidental acquired 9-year exploration concessions and, subject to a declaration of commerciality, 35-year production concessions adjacent to Al Hosn Gas for onshore Block 3 and Block 5, which cover an area of approximately 1.5 million acres and 1.0 million acres, respectively. Occidental conducts a majority of its Middle East business development activities through its office in Abu Dhabi, which also provides various support functions for Occidental's Middle East oil and gas operations.

Ghana - Discontinued Operations

In May 2020, Occidental and Total mutually agreed to execute a waiver of the obligation to purchase and sell the Ghana assets, so that Occidental could begin marketing the sale of the Ghana assets to other third parties. Occidental is currently marketing the Ghana assets. The assets and liabilities for Ghana remain presented as held for sale in discontinued operations at December 31, 2020. Ghana operations include production and development activities located offshore in the West Cape Three Point Block and the Deepwater Tano Block. Occidental's share of production in 2020 was 30 Mboe/d.

LATIN AMERICA ASSETS

Colombia

In December 2020, Occidental completed the sale of its Colombia onshore assets, specifically the operations and working interests in the Llanos Norte, Middle Magdalena and Putumayo Basins. Occidental has retained a presence with exploration blocks offshore Colombia.

PROVED RESERVES

Proved oil, NGL and natural gas reserves were estimated using the unweighted arithmetic average of the first-day-of-the-month price for each month within the year, unless prices were defined by contractual arrangements. Oil, NGL and natural gas prices used for this purpose were based on posted benchmark prices and adjusted for price differentials including gravity, quality and transportation costs.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following table shows the 2020, 2019 and 2018 calculated first-day-of-the-month average prices for both WTI and Brent oil prices, as well as the Henry Hub gas prices measured in million British thermal units (MMBtu):

		2020	2019	2018
WTI Oil (\$/Bbl)	\$	39.57	\$ 55.69	\$ 65.56
Brent Oil (\$/Bbl)	\$	43.41	\$ 63.03	\$ 72.20
Henry Hub Natural Gas (\$/MMBtu)	\$	1.98	\$ 2.58	\$ 3.10
Mt. Belvieu NGL (\$/Bbl) ^(a)	\$	18.74	N/A	N/A

^(a) Mt. Belvieu pricing was added as an NGL benchmark beginning in 2020. Prior to 2020, WTI oil was used as a benchmark for NGL.

Occidental had proved reserves from continuing operations at year-end 2020 of 2,911 MMboe, compared to the year-end 2019 amount of 3,904 MMboe. Proved developed (PD) reserves represented approximately 78% and 77% of Occidental's total proved reserves at year-end 2020 and 2019, respectively. The following table shows the breakout of Occidental's proved reserves from continuing operations by commodity as a percentage of total proved reserves:

	2020	2019
Oil	51 %	52 %
Natural gas	29 %	29 %
NGL	20 %	19 %

Occidental does not have any reserves from non-traditional sources. For further information regarding Occidental's proved reserves, see the Supplemental Oil and Gas Information section in Item 8 of this Form 10-K.

CHANGES IN PROVED RESERVES

Occidental's total proved reserves from continuing operations decreased 993 MMboe in 2020, which was primarily driven by price and other revisions of 484 MMboe and asset divestitures of 241 MMboe. These decreases were partially offset by increases from Occidental's development program of 212 MMboe. Changes in reserves were as follows:

MMboe	2020
Revisions of previous estimates	(484)
Improved recovery	190
Extensions and discoveries	22
Purchases	4
Sales	(241)
Production	(484)
Total	(993)

Occidental's ability to add reserves, other than through purchases, depends on the success of improved recovery, extension and discovery projects, each of which depends on reservoir characteristics, technology improvements and oil and natural gas prices, as well as capital and operating costs. Many of these factors are outside management's control and may negatively or positively affect Occidental's reserves.

Revisions of Previous Estimates

Revisions can include upward or downward changes to previous proved reserve estimates for existing fields due to the evaluation or interpretation of geologic, production decline or operating performance data. In addition, product price changes affect proved reserves recorded by Occidental. For example, lower prices may decrease the economically recoverable reserves, particularly for domestic properties, because the reduced margin limits the expected life of the operations. Offsetting this effect, lower prices increase Occidental's share of proved reserves under PSCs because more oil is required to recover costs. Conversely, when prices rise, Occidental's share of proved reserves decreases for PSCs and economically recoverable reserves may increase for other operations. Reserve estimation rules require that estimated ultimate recoveries be much more likely to increase or remain constant than to decrease, as changes are made due to increased availability of technical data.

In 2020, Occidental's revisions of previous estimates of proved reserves were negative 484 MMboe, of which approximately 342 MMboe were negative price revisions. The negative price revisions were primarily associated with the

MANAGEMENT'S DISCUSSION AND ANALYSIS

Permian Basin (283 MMboe) and the DJ Basin (74 MMboe), which were partially offset by positive price revisions of 36 MMboe on international production sharing contracts.

An additional 197 MMboe of negative revisions were related to management changes in development plans due to lower average commodity prices compared to the prior year and the reallocation of capital to higher return projects. These changes were primarily associated with the Permian Basin (143 MMboe).

Further positive revisions of 57 MMboe, net, were associated with updates based on reservoir performance. The remaining revisions were associated with various other cost related revisions.

Improved Recovery

In 2020, Occidental added proved reserves of 190 MMboe related to improved recovery primarily due to additional development drilling, mainly in the Permian Basin which accounted for approximately two-thirds of the reserve additions. These properties comprise both unconventional projects and conventional projects, which are characterized by the deployment of EOR development methods, largely employing application of CO₂ flood, waterflood or steam flood and unconventional projects. These types of conventional EOR development methods can be applied through existing wells, though additional drilling is frequently required to fully optimize the development configuration. Waterflooding is the technique of injecting water into the formation to displace the oil to the offsetting oil production wells. The use of either CO₂ or steam flooding depends on the geology of the formation, the evaluation of engineering data, availability and cost of either CO₂ or steam and other economic factors. Both techniques work similarly to lower viscosity causing the oil to move more easily to the producing wells. Many of Occidental's projects, including unconventional projects, rely on improving permeability to increase flow in the wells. In addition, some improved recovery comes from drilling infill wells that allow recovery of reserves that would not be recoverable from existing wells. Further positive additions of 32 MMboe in the UAE, 13 MMboe in Oman, 9 MMboe in the DJ Basin and 9 MMboe in the Gulf of Mexico were similarly the result of development drilling.

Extensions and Discoveries

Occidental also added proved reserves from extensions and discoveries, which are dependent on successful exploration and exploitation programs. In 2020, extensions and discoveries added 22 MMboe primarily related to the recognition of proved reserves in the DJ Basin, Wyoming and Oman.

Purchases of Proved Reserves

In 2020, Occidental purchased proved reserves of 4 MMboe primarily consisting of proved reserves in the Permian Basin.

Sales of Proved Reserves

In 2020, Occidental sold 241 MMboe in proved reserves, primarily related to the divestitures of the Colombia onshore assets, the mineral acres and fee surface acres located in Wyoming, Colorado and Utah and the non-core, largely non-operated acreage in the Permian Basin.

Proved Undeveloped Reserves

Occidental had proved undeveloped reserves at year-end 2020 of 645 MMboe, compared to the year-end 2019 amount of 905 MMboe.

Changes in proved undeveloped reserves were as follows:

<i>MMboe</i>	2020
Revisions of previous estimates	(253)
Improved recovery	132
Extensions and discoveries	6
Purchases	3
Sales	(44)
Transfer to proved developed reserves	(104)
Total	(260)

Total improved recovery additions of 132 MMboe were primarily the result of additional development drilling in the Permian Basin (80 MMboe), international assets (41 MMboe) and the DJ Basin (7 MMboe). The 2020 additions to proved undeveloped reserves were offset by transfers to proved developed reserves and negative revisions of previous estimates. Transfers to proved developed reserves were a total of 104 MMboe. The transfers were primarily associated with the DJ Basin (53 MMboe) and the Permian Basin (48 MMboe). Revisions of previous estimates were a negative 253 MMboe. Approximately 123 MMboe of the negative revisions were related to management changes in development plans, primarily associated with the Permian Basin (111 MMboe). Additionally, the revisions include preliminary impacts related to the

January 2021 COGCC regulation in the DJ Basin. Further, 77 MMboe of negative revisions were associated with updates based on reservoir performance and 55 MMboe of negative revisions were associated with price revisions.

Proved undeveloped reserves are supported by a five-year detailed field-level development plan, which includes the timing, location and capital commitment of the wells to be drilled. Only proved undeveloped reserves which are reasonably certain to be drilled within five years of booking and are supported by a final investment decision to drill them are included in the development plan. A portion of the proved undeveloped reserves associated with international operations are expected to be developed beyond the five years and are tied to approved long-term development projects.

In 2020, Occidental incurred approximately \$0.5 billion to convert proved undeveloped reserves to proved developed reserves. Given the impact of the COVID-19 pandemic on demand and cash flows, Occidental reduced its 2020 capital expenditures from \$5.2 billion to \$2.6 billion and; accordingly, converted a lower than expected amount of reserves from proved undeveloped reserves to proved developed reserves. In 2020 Occidental converted approximately 17% of its PUDs to proved developed, when adjusted for revisions and sales. As of December 31, 2020, Occidental had 645 MMboe of PUDs of which 49% were associated with domestic onshore, 8% with Gulf of Mexico and 43% with international assets.

Occidental's most active development areas are located in the Permian Basin, which represented 36% of the proved undeveloped reserves as of December 31, 2020. Approximately 40% of Occidental's 2021 capital program of \$2.9 billion is allocated to the development program in the Permian Basin. Overall, Occidental plans to spend approximately \$1.5 billion over the next five years to develop its proved undeveloped reserves in the Permian Basin.

At December 31, 2020, Occidental had 207 MMboe of pre-2016 proved undeveloped reserves that remained undeveloped. These proved undeveloped reserves relate to approved long-term development plans, 187 MMboe of which are associated with international development projects with physical limitations in existing gas processing capacity and 20 MMboe associated with certain Permian EOR projects. Occidental remains committed to these projects and continues to actively progress the development of these volumes. In addition to the above, Occidental has 89 MMboe of proved undeveloped reserves that are scheduled to be developed more than five years from their initial date of booking. These proved undeveloped reserves are primarily related to approved long-term development plans with physical limitations in existing gas processing capacity, 51 MMboe of which are associated with other Permian EOR projects and 31 MMboe associated with international development projects.

RESERVES EVALUATION AND REVIEW PROCESS

Occidental's estimates of proved reserves and associated future net cash flows as of December 31, 2020, were made by Occidental's technical personnel and are the responsibility of management. The estimation of proved reserves is based on the requirement of reasonable certainty of economic producibility and funding commitments by Occidental to develop the reserves. This process involves reservoir engineers, geoscientists, planning engineers and financial analysts. As part of the proved reserves estimation process, all reserve volumes are estimated by a forecast of production rates, operating costs and capital expenditures. Price differentials between benchmark prices (the unweighted arithmetic average of the first-day-of-the-month price for each month within the year) and realized prices and specifics of each operating agreement are then used to estimate the net reserves. Production rate forecasts are derived by a number of methods, including estimates from decline curve analysis, type curve analysis, material balance calculations that take into account the volumes of substances replacing the volumes produced and associated reservoir pressure changes, seismic analysis and computer simulation of the reservoir performance. These reliable field-tested technologies have demonstrated reasonably certain results with consistency and repeatability in the formation being evaluated or in an analogous formation. Operating and capital costs are forecast using the current cost environment applied to expectations of future operating and development activities.

Net proved developed reserves are those volumes that are expected to be recovered through existing wells with existing equipment and operating methods for which the incremental cost of any additional required investment is relatively minor.

Net proved undeveloped reserves are those volumes that are expected to be recovered from new wells on undrilled acreage, or from existing wells where a relatively major expenditure is required for recompletion. Proved undeveloped reserves are supported by a five-year, detailed, field-level development plan, which includes the timing, location and capital commitment of the wells to be drilled. The development plan is reviewed and approved annually by senior management and technical personnel. Annually, a detailed review is performed by Occidental's Worldwide Reserves Group and its technical personnel on a lease-by-lease basis to assess whether proved undeveloped reserves are being converted on a timely basis within five years from the initial disclosure date. Any leases not showing timely transfers from proved undeveloped reserves to proved developed reserves are reviewed by senior management to determine if the remaining reserves will be developed in a timely manner and have sufficient capital committed in the development plan. Only proved undeveloped reserves that are reasonably certain to be drilled within five years of booking and are supported by a final investment decision to drill them are included in the development plan. A portion of the proved undeveloped reserves associated with international operations are expected to be developed beyond the five years and are tied to approved long-term development plans.

The current Senior Vice President, Reserves for Oxy Oil and Gas is responsible for overseeing the preparation of reserve estimates, in compliance with U.S. SEC rules and regulations, including the internal audit and review of Occidental's oil and gas reserves data. He has over 40 years of experience in the upstream sector of the exploration and production business and has held various assignments in North America, Asia and Europe. He is a three-time past Chair of the Society of Petroleum Engineers Oil and Gas Reserves Committee. He is an American Association of Petroleum Geologists (AAPG) Certified Petroleum Geologist and currently serves on the AAPG Committee on Resource Evaluation. He is a member of the

Society of Petroleum Evaluation Engineers, the Colorado School of Mines Potential Gas Committee and the United Nations Economic Commission for Europe Expert Group on Resource Management. He has Bachelor of Science and Master of Science degrees in geology from Emory University in Atlanta.

Occidental has a Corporate Reserves Review Committee (Reserves Committee), consisting of senior corporate officers, to review and approve Occidental's oil and gas reserves. The Reserves Committee reports to the Audit Committee of Occidental's Board of Directors during the year. Since 2003, Occidental has retained Ryder Scott Company, L.P. (Ryder Scott), independent petroleum engineering consultants, to review its annual oil and gas reserve estimation processes. For additional reserves information, see Supplemental Oil and Gas Information under Item 8 of this Form 10-K.

In 2020, Ryder Scott conducted a process review of the methods and analytical procedures utilized by Occidental's engineering and geological staff for estimating the proved reserves volumes, preparing the economic evaluations and determining the reserves classifications as of December 31, 2020, in accordance with SEC regulatory standards. Ryder Scott reviewed the specific application of such methods and procedures for selected oil and gas properties considered to be a valid representation of Occidental's 2020 year-end total proved reserves portfolio. In 2020, Ryder Scott reviewed approximately 30% of Occidental's proved oil and gas reserves. Since being engaged in 2003, Ryder Scott has reviewed the specific application of Occidental's reserve estimation methods and procedures for approximately 87% of Occidental's existing proved oil and gas reserves.

Management retained Ryder Scott to provide objective third-party input on its methods and procedures and to gather industry information applicable to Occidental's reserve estimation and reporting process. Ryder Scott has not been engaged to render an opinion as to the reasonableness of reserves quantities reported by Occidental. Occidental has filed Ryder Scott's independent report as an exhibit to this Form 10-K.

Based on its reviews, including the data, technical processes and interpretations presented by Occidental, Ryder Scott has concluded that the overall procedures and methodologies Occidental utilized in estimating the proved reserves volumes, documenting the changes in reserves from prior estimates, preparing the economic evaluations and determining the reserves classifications for the reviewed properties are appropriate for the purpose thereof and comply with current SEC regulations.

CHEMICAL SEGMENT

BUSINESS STRATEGY

OxyChem seeks to be a low-cost producer in order to generate cash flow in excess of its normal capital expenditure requirements and achieve above-cost-of-capital returns. OxyChem concentrates on the chlorovinyls chain, beginning with the co-production of caustic soda and chlorine. Caustic soda and chlorine are marketed to external customers. In addition, chlorine, together with ethylene, is converted through a series of intermediate products into PVC. OxyChem's focus on chlorovinyls allows it to maximize the benefits of integration and take advantage of economies of scale. Capital is employed to sustain production capacity and to focus on projects and developments designed to improve the competitiveness of segment assets. Acquisitions and plant development opportunities may be pursued when they are expected to enhance the existing core chlor-alkali and PVC businesses or take advantage of other specific opportunities. In 2020, capital expenditures for OxyChem totaled \$255 million.

BUSINESS ENVIRONMENT

In 2020, the United States economic contraction, estimated to be 3.5%, was significantly lower than the 2.2% growth experienced in 2019, which resulted in lower demand for caustic soda and PVC. Pricing for PVC rebounded in the second half of 2020 and finished higher than the 2019 average due to increased domestic demand and lower supply. Caustic soda prices were lower in 2020, partially offset by lower ethylene and energy costs.

BUSINESS REVIEW

BASIC CHEMICALS

The U.S. economic contraction due to the COVID-19 pandemic resulted in lower domestic demand as the industry chlor-alkali operating rates decreased by 8% compared to 2019. Liquid caustic soda prices were lower both domestically and globally in 2020 due to weaker demand in the pulp and paper and industrial market segments, which was partially offset by lower energy prices than in 2019. Stronger chlorine derivative demand in relation to caustic soda resulted in persistent downward pressure on caustic soda pricing.

VINYLS

Due to the impact of the COVID-19 pandemic and supply interruptions during a very active hurricane season, industry demand for PVC in 2020 decreased year-over-year by 4%, resulting in 6% lower operating rates. Domestic demand was up 5.4% while export demand was down 22% from 2019. Second half 2020 housing starts, construction and home improvement markets were the main contributors for the strong rebound in domestic demand. US domestic producers grappled with extended production outages resulting in lower PVC availability for export markets. Export volume

represented 28% of total North American production. Industry PVC margins increased in 2020 due to a strong price environment driven by higher than expected demand and limited supply.

INDUSTRY OUTLOOK

Industry performance will depend on the health of the global economy and the effectiveness of the vaccine rollouts. Continued recovery from 2020 should result in improvement in the housing, construction, automotive and durable goods markets. The housing and construction as well as automotive markets are expected to strengthen over the next year. Margins also depend on market supply and demand balances and feedstock and energy prices. Recovery in the petroleum industry should strengthen the demand and pricing of a number of Occidental's products that are consumed by industry participants. U.S. commodity export markets will continue to be impacted by the relative strength of the U.S. dollar.

BASIC CHEMICALS

Demand for basic chemicals is expected to improve in 2021 over 2020 levels. Improvement in most market segments is expected with improvement in the overall economy. Demand for chlorine and derivatives will improve with continued growth in the housing, general construction and automotive markets. Demand for alkali products, particularly caustic soda, will improve with growth in the pulp and paper, industrial and alumina markets. Chlor-alkali operating rates should improve moderately with higher demand and continued competitive energy and raw material pricing as compared to global feedstock costs.

VINYLS

Domestic PVC demand is expected to improve in 2021 over 2020 levels. Growth in residential construction spending and expected new infrastructure projects is forecast to drive domestic growth in 2021. Although overall PVC demand is expected to remain strong in North America, operating rates are anticipated to remain relatively flat in 2021 as new PVC capacity is expected to enter the market in the second half of the year.

MIDSTREAM AND MARKETING SEGMENT

BUSINESS STRATEGY

The midstream and marketing segment strives to maximize realized value by optimizing the use of its gathering, processing, transportation, storage and terminal commitments and by providing access to domestic and international markets. To generate returns, the segment evaluates opportunities across the value chain and uses its assets to provide services to Occidental's subsidiaries, as well as third parties. The midstream and marketing segment operates or contracts for services on gathering systems, gas plants, co-generation facilities and storage facilities and invests in entities that conduct similar activities. As of December 31, 2019, Occidental began accounting for its ownership investment in WES under the equity method of accounting. See [Note 16 - Investments and Related-Party Transactions](#) in the Notes to Consolidated Financial Statements in Part II Item 8 of this Form 10-K for more information.

The midstream and marketing segment has equity investments in WES and Dolphin Energy Limited. WES owns gathering systems, plants and pipelines and earns revenue from fee-based and service-based contracts with Occidental and third parties. Dolphin Energy Limited owns and operates a pipeline which connects its gas processing and compression plant in Qatar and its receiving facilities in UAE, and uses its network of Dolphin Energy Limited-owned and other existing leased pipelines to supply natural gas across the UAE and to Oman. Also included in the midstream and marketing segment is OLCV. OLCV seeks to leverage Occidental's carbon management expertise that is derived from its EOR operations to develop carbon capture, utilization and storage facilities that are expected to source anthropogenic CO₂ and promote innovative technologies that drive cost efficiencies and economically grow Occidental's business while reducing emissions.

This segment also seeks to minimize the costs of gas and power used in Occidental's various businesses. Capital is employed to sustain or expand assets to improve the competitiveness of Occidental's businesses. In 2020, capital expenditures related to the midstream and marketing segment totaled \$50 million.

BUSINESS ENVIRONMENT

Midstream and marketing segment earnings are affected by the performance of its various businesses, including its marketing, gathering and transportation, gas processing and power-generation assets. The marketing business aggregates, markets and stores Occidental and third-party volumes. Marketing performance is affected primarily by commodity price changes and margins in oil and gas transportation and storage programs. The marketing business results can experience significant volatility depending on commodity price changes and the Midland-to-Gulf-Coast oil spreads. The Midland-to-Gulf-Coast oil spreads have decreased from an average of \$6.58 per barrel in 2019 to \$1.43 per barrel for the year ended December 31, 2020 and averaging \$0.59 per barrel in the fourth quarter of 2020. A \$0.25 change in the Midland-to-Gulf-Coast oil spreads impacts total year operating cash flows by \$65 million. In 2020, Permian to Gulf Coast transportation capacity increased as new third-party pipelines were completed. This along with reduction in Permian Basin production, reduced the Midland-to-Gulf-Coast oil spreads. Gas gathering, processing and transportation results are affected by fluctuations in commodity prices and the volumes that are processed and transported through the segment's plants, as well

as the margins obtained on related services from investments in which Occidental has an equity interest. The 2020 declines in NGL prices and sulfur prices negatively impacted the gas processing business.

BUSINESS REVIEW

MARKETING

The marketing group markets substantially all of Occidental's oil, NGL and natural gas production, as well as trades around its assets, including contracted transportation and storage capacity. Occidental's third-party marketing activities focus on purchasing oil, NGL and gas for resale from parties whose oil and gas supply is located near its transportation and storage assets. These purchases allow Occidental to aggregate volumes to better utilize and optimize its assets. In 2020, compared to the prior year, marketing results were negatively impacted by the decline in the Midland-to-Gulf-Coast oil spreads.

PIPELINE

Occidental's pipeline business mainly consists of its 24.5% ownership interest in Dolphin Energy Limited. Dolphin Energy Limited owns and operates a 230-mile-long, 48-inch-diameter natural gas pipeline (Dolphin Pipeline), which transports dry natural gas from Qatar to the UAE and Oman. The Dolphin Pipeline has capacity to transport up to 3.2 Bcf/d and currently transports approximately 2.2 Bcf/d and up to 2.5 Bcf/d in the summer months.

GAS PROCESSING, GATHERING AND CO₂

Occidental processes its and third-party domestic wet gas to extract NGL and other gas byproducts, including CO₂ and delivers dry gas to pipelines. Margins primarily result from the difference between inlet costs of wet gas and market prices for NGL.

As of December 31, 2020, Occidental has a 2% non-voting general partner interest and a 51.8% limited partner interest in WES and a 2% non-voting limited partner interest in WES Operating, a subsidiary of WES. As of December 31, 2020, on a combined basis, Occidental's total effective economic interest in WES and its subsidiaries is 53.5%. Occidental intends to reduce its limited partner ownership interest in WES to below 50%. See [Note 1 - Summary of Significant Accounting Policies](#) in the Notes to Consolidated Financial Statements in Part II Item 8 of this Form 10-K for more information regarding Occidental's equity method investment in WES. WES owns gathering systems, plants and pipelines and earns revenue from fee-based and service-based contracts with Occidental and third parties.

Occidental's 40% participating interest in Al Hosn Gas also includes sour gas processing facilities that are designed to process 1.3 Bcf/d of natural gas and separate it into salable gas, condensate, NGL and sulfur. In 2020, the facilities produced 11,300 tons per day of sulfur, of which approximately 4,500 tons per day was Occidental's net share.

In 2020, compared to the prior year, gas processing, gathering and CO₂ results decreased primarily due to lower NGL prices and sulfur prices, which negatively impacted the gas processing business.

POWER GENERATION FACILITIES

Earnings from power and steam generation facilities are derived from sales to affiliates and third parties.

LOW CARBON VENTURES

OLCV was formed to execute on Occidental's vision to reduce global emissions and provide a more sustainable future through low carbon energy and products. OLCV capitalizes on Occidental's extensive experience in utilizing CO₂ for EOR by investing in technologies, developing projects and providing services to facilitate and accelerate the implementation of carbon capture, utilization and storage projects and opportunities for zero-carbon power. Moreover, OLCV is fostering new technologies and business models with the potential to position Occidental as a leader in the production of low-carbon oil and products.

Occidental has developed standards and protocols recognized by the EPA for monitoring, reporting and verifying the amount, safety and permanence of CO₂ stored through secure geologic sequestration. The company holds the nation's first two EPA-approved monitoring, reporting and verification plans for geologic sequestration through EOR production.

INDUSTRY OUTLOOK

Midstream and marketing segment results can experience volatility depending on the Midland-to-Gulf-Coast oil spreads and commodity price changes. To a lesser extent, declines in commodity prices, including NGL and sulfur prices, reduce the results for the gas processing business.

SEGMENT RESULTS OF OPERATIONS AND ITEMS AFFECTING COMPARABILITY

SEGMENT RESULTS OF OPERATIONS

Segment earnings exclude income taxes, interest income, interest expense, environmental remediation expenses, unallocated corporate expenses and discontinued operations, but include gains and losses from divestitures of segment assets and income from the segments' equity investments. Seasonality is not a primary driver of changes in Occidental's consolidated quarterly earnings during the year.

The following table sets forth the sales and earnings of each operating segment and corporate items for the years ended December 31:

<i>millions, except per share amounts</i>	2020	2019	2018
NET SALES ^(a)			
Oil and gas	\$ 13,066	\$ 13,941	\$ 10,441
Chemical	3,733	4,102	4,657
Midstream and marketing	1,768	4,132	3,656
Eliminations	(758)	(1,264)	(930)
Total	\$ 17,809	\$ 20,911	\$ 17,824
SEGMENT RESULTS AND EARNINGS			
Domestic	\$ (8,758)	\$ 838	\$ 621
International	(742)	1,851	1,896
Exploration	(132)	(169)	(75)
Oil and gas	(9,632)	2,520	2,442
Chemical	664	799	1,159
Midstream and marketing	(4,175)	241	2,802
Total	\$ (13,143)	\$ 3,560	\$ 6,403
Unallocated corporate items			
Interest expense, net	(1,424)	(1,002)	(356)
Income tax benefit (expense)	2,172	(861)	(1,477)
Other	(1,138)	(2,204)	(439)
Income (loss) from continuing operations	\$ (13,533)	\$ (507)	\$ 4,131
Discontinued operations, net	(1,298)	(15)	—
Net income (loss)	(14,831)	(522)	4,131
Less: Net loss attributable to noncontrolling interests	—	(145)	—
Less: Preferred stock dividends	(844)	(318)	—
Net income (loss) attributable to common stockholders	\$ (15,675)	\$ (985)	\$ 4,131
Net income (loss) attributable to common stockholders—basic	\$ (17.06)	\$ (1.22)	\$ 5.40
Net income (loss) attributable to common stockholders—diluted	\$ (17.06)	\$ (1.22)	\$ 5.39

^(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.

ITEMS AFFECTING COMPARABILITY

OIL AND GAS SEGMENT

Results of Operations

millions	2020	2019	2018
Segment Sales	\$ 13,066	\$ 13,941	\$ 10,441
Segment Results ^(a)			
Domestic	\$ (8,758)	\$ 838	\$ 621
International	(742)	1,851	1,896
Exploration	(132)	(169)	(75)
Total	\$ (9,632)	\$ 2,520	\$ 2,442
Items affecting comparability			
Asset impairments and related items - domestic ^(b)	\$ (5,904)	\$ (288)	\$ —
Asset impairments and related items - international ^(c)	\$ (1,195)	\$ (39)	\$ (416)
Asset sale gains (losses), net - domestic ^(d)	\$ (1,275)	\$ 475	\$ —
Asset sale losses, net - international ^(e)	\$ (353)	\$ —	\$ —
Oil and natural gas collars mark-to-market gains (losses)	\$ 1,064	\$ (107)	\$ —
Rig terminations and other - domestic	\$ (59)	\$ —	\$ —
Rig terminations and other - international	\$ (13)	\$ —	\$ —

^(a) Results included significant items affecting comparability discussed in the footnotes below.

^(b) The 2020 amount included pre-tax impairments of \$4.5 billion primarily related to domestic onshore unproved acreage as well as \$1.3 billion primarily related to other domestic onshore assets and the Gulf of Mexico. The 2019 amount included \$285 million of impairment and related charges associated with domestic undeveloped leases that were set to expire in the near-term, where Occidental had no plans to pursue exploration activities.

^(c) The 2020 amount included \$1.2 billion of impairment and related charges associated with Occidental's proved properties in Algeria and Oman. The 2019 amount related to Occidental's mutually agreed early termination of certain Qatar concessions. The 2018 amount consisted of impairment and related charges associated with certain Qatar concessions.

^(d) The 2020 amount included a \$440 million loss on the sale of Occidental's mineral and fee surface acres in Wyoming, Colorado and Utah and losses of \$820 million related to the sale of non-core, largely non-operated acreage in the Permian Basin. The 2019 amount included gain on the sale of a portion of Occidental's joint venture with ECOPEPETROL S.A. (Ecopetrol) and a loss on sale of real estate assets.

^(e) The 2020 amount included a loss on the sale of Occidental's Colombia assets of \$353 million.

The following table sets forth the average realized prices for oil, NGL and natural gas from ongoing operations for each of the three years in the period ended December 31, 2020, and includes a year-over-year change calculation:

	2020	Year over Year Change	2019	Year over Year Change	2018
Average Realized Prices					
Oil (\$/Bbl)					
United States	\$ 36.39	(33)%	\$ 54.31	(4)%	\$ 56.30
Latin America	\$ 38.80	(32)%	\$ 57.26	(11)%	\$ 64.32
Middle East/Africa	\$ 41.52	(33)%	\$ 62.03	(8)%	\$ 67.69
Total worldwide	\$ 37.41	(34)%	\$ 56.32	(7)%	\$ 60.64
NGL (\$/Bbl)					
United States	\$ 11.98	(25)%	\$ 16.03	(42)%	\$ 27.64
Middle East/Africa	\$ 16.22	(26)%	\$ 21.85	(6)%	\$ 23.20
Total worldwide	\$ 12.58	(27)%	\$ 17.20	(34)%	\$ 26.25
Natural Gas (\$/Mcf)					
United States	\$ 1.18	(10)%	\$ 1.31	(18)%	\$ 1.59
Latin America	\$ 5.41	(23)%	\$ 7.01	9 %	\$ 6.43
Total worldwide	\$ 1.31	(10)%	\$ 1.45	(10)%	\$ 1.62

MANAGEMENT'S DISCUSSION AND ANALYSIS

Domestic oil and gas results, excluding significant items affecting comparability, decreased in 2020 compared to 2019 primarily due to lower realized oil, NGL and natural gas prices, partially offset by higher crude oil, NGL and natural gas sales volumes mostly due to additional production from the Acquisition.

International oil and gas results, excluding significant items affecting comparability, decreased in 2020 compared to 2019 primarily due to a decrease in realized commodity prices as well as lower volumes as a result of exiting Qatar in 2019.

Production

The following table sets forth the production volumes of oil, NGL and natural gas per day from ongoing operations for each of the three years in the period ended December 31, 2020 and includes a year-over-year change calculation:

Production per Day, Ongoing Operations (Mboe/d)	2020	Year over Year Change	2019	Year over Year Change	2018
United States					
Permian Resources	435	23 %	355	66 %	214
Permian EOR	140	(9)%	154	— %	154
DJ Basin	293	144 %	120	N/A	—
Gulf of Mexico	130	124 %	58	N/A	—
Other Domestic	39	44 %	27	575 %	4
Total	1,037	45 %	714	92 %	372
Latin America	32	(6)%	34	6 %	32
Middle East / Africa					
Algeria	44	83 %	24	N/A	—
Al Hosn Gas	78	(5)%	82	12 %	73
Dolphin	44	5 %	42	5 %	40
Oman	85	(4)%	89	3 %	86
Total	251	6 %	237	19 %	199
Total Production from Ongoing Operations	1,320	34 %	985	63 %	603
Operations exited or exiting	30	(32)%	44	(20)%	55
Total Production (Mboe/d) ^(a)	1,350	31 %	1,029	56 %	658

^(a) Natural gas volumes have been converted to Boe based on energy content of six Mcf of gas to one barrel of oil. Boe equivalent does not necessarily result in price equivalency. Please refer to the Supplemental Oil and Gas Information (unaudited) section of this Form 10-K for additional information on oil and gas production and sales.

Average daily production volumes from ongoing operations increased in 2020 compared to 2019 primarily due to a full year of production associated with the assets acquired from the Acquisition.

Lease Operating Expense

The following table sets forth the average lease operating expense per Boe from ongoing operations for each of the three years in the period ended December 31, 2020:

	2020	2019	2018
Average lease operating expense per Boe	\$6.38	\$9.07	\$11.52

Average lease operating expense per Boe decreased in 2020 compared to 2019 primarily due to operational efficiencies related to downhole maintenance and supports.

CHEMICAL SEGMENT

<i>millions</i>	2020		2019		2018
Segment Sales	\$	3,733	\$	4,102	\$ 4,657
Segment Results	\$	664	\$	799	\$ 1,159

Chemical segment results decreased in 2020 compared to 2019 due to lower realized caustic soda prices and overall lower sales volumes as a result of the COVID-19 pandemic, partially offset by lower natural gas costs and lower plant spending.

MIDSTREAM AND MARKETING SEGMENT

<i>millions</i>	2020		2019		2018
Segment Sales	\$	1,768	\$	4,132	\$ 3,656
Segment Results ^(a)	\$	(4,175)	\$	241	\$ 2,802
Items affecting comparability					
Asset and equity investment sale gains (losses) ^(b)	\$	(46)	\$	114	\$ 907
Asset impairments and other charges ^(c)	\$	(4,194)	\$	(1,002)	\$ —
Interest rate swaps mark-to-market, net ^(d)	\$	—	\$	30	\$ —

^(a) Results included items affecting comparability listed below.

^(b) The 2020 amount represented a loss on the exchange of WES common units to retire a \$260 million note. The 2019 amount represented a \$114 million gain on the sale of an equity investment in Plains All American Pipeline, L.P. and Plains GP Holdings, L.P. (together, Plains). The 2018 amount represented a gain on sale of non-core domestic midstream assets.

^(c) The 2020 amount included a \$2.7 billion other-than-temporary impairment of the equity investment in WES and \$1.4 billion of impairments related to the write-off of goodwill and a loss from an equity investment related to WES' write-off of its goodwill. The 2019 amount included a \$1 billion charge as a result of recording Occidental's investment in WES at fair value as of December 31, 2019 upon the loss of control.

^(d) The 2019 amount represented a \$30 million mark-to-market gain on an interest rate swap for WES.

Midstream and marketing segment results, excluding items affecting comparability, decreased in 2020 compared to 2019, primarily due to lower marketing margins from the tightening of the average Midland-to-Gulf-Coast oil spreads by \$5.15 per barrel, and to a lesser extent lower pipeline income following the sale of the Plains equity investment in the third quarter of 2019 and lower sulfur prices impacting Al Hosn Gas.

CORPORATE

Significant corporate items include the following:

<i>millions</i>	2020		2019		2018
Items Affecting Comparability					
Anadarko Acquisition-related costs	\$	(339)	\$	(1,647)	\$ —
Bridge loan financing fees	\$	—	\$	(122)	\$ —
Acquisition-related pension and termination benefits	\$	114	\$	37	\$ —
Interest rate swaps mark-to-market, net	\$	(428)	\$	122	\$ —
Other charges and asset impairments	\$	—	\$	(22)	\$ —
Warrant gains mark-to-market	\$	5	\$	81	\$ —

INCOME TAXES

Total deferred tax assets, after valuation allowance, were \$4.3 billion and \$3.7 billion at December 31, 2020, and 2019, respectively. Occidental expects to realize the recorded deferred tax assets, net of any allowances, through future operating income and reversal of temporary differences. The total deferred tax liabilities were \$11.4 billion and \$13.4 billion as of December 31, 2020, and 2019, respectively. The decrease in net deferred tax liability in 2020 over 2019 is primarily driven by domestic asset impairments for which Occidental does not receive an immediate tax benefit as well as an increase in net operating loss carryforwards.

WORLDWIDE EFFECTIVE TAX RATE

The following table sets forth the calculation of the worldwide effective tax rate for income from continuing operations:

<i>millions</i>	2020	2019	2018
SEGMENT RESULTS			
Oil and gas	\$ (9,632)	\$ 2,520	\$ 2,442
Chemical	664	799	1,159
Midstream and marketing	(4,175)	241	2,802
Unallocated corporate items	(2,562)	(3,206)	(795)
Income (loss) from continuing operations before taxes	(15,705)	354	5,608
Income tax benefit (expense)			
Federal and state	2,607	34	(463)
Foreign	(435)	(895)	(1,014)
Total income tax benefit (expense)	2,172	(861)	(1,477)
Income (loss) from continuing operations	(13,533)	(507)	4,131
Worldwide effective tax rate	14%	243%	26%

In 2020, Occidental's worldwide effective tax rate was 14%, which was largely a result of the impairment of the WES goodwill and certain international assets, for which Occidental receives no tax benefit and higher-taxed foreign operations which generally caused Occidental's tax rate to vary significantly from the U.S. corporate tax rate. Occidental's effective tax rate is impacted each year by the relative pre-tax income (loss) earned by its domestic and international operations.

CONSOLIDATED RESULTS OF OPERATIONS**REVENUE AND OTHER INCOME ITEMS**

<i>millions</i>	2020	2019	2018
Net sales	\$ 17,809	\$ 20,911	\$ 17,824
Interest, dividends and other income	\$ 118	\$ 217	\$ 136
Gains (losses) on sale of assets, net	\$ (1,666)	\$ 622	\$ 974

Price and volume changes generally represent the majority of the change in the oil and gas and chemical segments sales. Midstream and marketing sales are mainly impacted by the lower marketing margins from the decrease in the Midland-to-Gulf-Coast oil spreads and, to a lesser extent, the change in NGL and sulfur prices for the gas processing business.

The decrease in net sales in 2020 compared to 2019 was primarily due to lower realized oil prices in the oil and gas segment despite higher volumes as a result of a full year of production from properties added in the Acquisition and net gains on the three-way oil collars. Midstream and marketing sales declined due to tightening of the Midland-to-Gulf-Coast oil spreads. Chemical sales declined primarily due to lower sales volumes across all products and lower realized caustic soda prices.

The 2020 losses on sales of assets, net, is primarily comprised of \$820 million related to the sale of certain non-core, largely non-operated acreage in the Permian Basin, \$440 million related to the sale of 4.5 million mineral acres and 1 million fee surface acres located in Wyoming, Colorado and Utah, \$353 million related to the sale of the Colombia onshore assets and a loss of \$46 million related to the WES note exchange.

EXPENSE ITEMS

<i>millions</i>		2020	2019	2018
Oil and gas operating expense	\$	3,065	\$ 3,282	\$ 2,761
Transportation and gathering expense	\$	1,600	\$ 635	\$ 152
Chemical and midstream cost of sales	\$	2,408	\$ 2,791	\$ 2,833
Purchased commodities	\$	1,395	\$ 1,679	\$ 822
Selling, general and administrative	\$	864	\$ 893	\$ 585
Other operating and non-operating expense	\$	884	\$ 1,421	\$ 1,028
Depreciation, depletion and amortization	\$	8,097	\$ 6,140	\$ 3,977
Asset impairments and other charges	\$	11,083	\$ 1,361	\$ 561
Taxes other than on income	\$	622	\$ 840	\$ 439
Anadarko Acquisition-related costs	\$	339	\$ 1,647	\$ —
Exploration expense	\$	132	\$ 247	\$ 110
Interest and debt expense, net	\$	1,424	\$ 1,066	\$ 389

OIL AND GAS OPERATING EXPENSE

Oil and gas operating expense decreased in 2020 from the prior year, primarily due to operational efficiencies that decreased downhole maintenance and workover and support costs and lower energy and purchased injectant costs.

TRANSPORTATION AND GATHERING EXPENSE

Transportation and gathering expense increased in 2020 from the prior year, primarily due to a full year of increased sales volumes related to the Acquisition as well as transportation costs to WES which was previously a consolidated entity in 2019.

CHEMICAL AND MIDSTREAM COST OF SALES

Chemical and midstream cost of sales decreased in 2020 from the prior year, primarily due to favorable raw material costs in the chemical segment and lower midstream operation costs due to the loss of control of WES in 2019.

PURCHASED COMMODITIES

Purchased commodities decreased in 2020 largely as a result of lower crude oil prices on third-party crude purchases related to the midstream and marketing segment.

OTHER OPERATING AND NON-OPERATING EXPENSE

Other operating and non-operating expense decreased in 2020 from the prior year, primarily due to the realization of overhead savings and a net gain related to the settlement, curtailment and special termination benefits on pension plans acquired in the Acquisition.

DEPRECIATION, DEPLETION AND AMORTIZATION (DD&A)

DD&A expense increased in 2020 from the prior year, primarily due to having a full year of production in 2020 associated with assets acquired through the Acquisition.

ASSET IMPAIRMENTS AND OTHER CHARGES

In 2020, asset impairments and other charges included pre-tax impairments of \$4.5 billion primarily related to domestic onshore unproved acreage as well as \$1.3 billion primarily related to other domestic onshore assets and the Gulf of Mexico. In addition there were \$931 million of impairment and related charges associated with Occidental's proved properties in Algeria to remeasure the Algeria oil and gas properties to their fair value. In addition, for the midstream and marketing segment, there were pre-tax impairment charges of \$2.7 billion other-than-temporary impairment of the equity investment in WES and \$1.2 billion of impairments related to the write-off of goodwill.

TAXES OTHER THAN ON INCOME

Taxes other than on income in 2020 decreased from the prior year, due to lower production taxes which are directly tied to prices on oil, NGL and natural gas volumes.

ACQUISITION RELATED EXPENSES

Acquisition related expenses in 2020 are associated with employee severance and related employee costs primarily related to one-time severance costs and the accelerated vesting of certain Anadarko share-based awards for former Anadarko employees based on the terms of the Acquisition and existing change of control provisions within the former Anadarko employment agreements.

INTEREST AND DEBT EXPENSE, NET

Interest and debt expense, net, increased in 2020 from the prior year due to an increase in debt issued to partially fund the Acquisition, as well as the debt assumed through the Acquisition.

OTHER ITEMS

Income/(expense) <i>millions</i>	2020	2019	2018
Gains (losses) on interest rate swaps and warrants	\$ (423)	\$ 233	\$ —
Income from equity investments	\$ 370	\$ 373	\$ 331
Income tax benefit (expense)	\$ 2,172	\$ (861)	\$ (1,477)

GAINS (LOSSES) ON INTEREST RATE SWAPS AND WARRANTS

Gains (losses) on interest rate swaps and warrants are primarily due to a decline in the reference rate on the interest rate swaps throughout 2020, as fixed interest rates exceed the floating interest rates during the reference period.

INCOME TAX BENEFIT (EXPENSE)

Occidental realized an income tax benefit for the year ended December 31, 2020 as compared to an income tax expense for the year ended December 31, 2019, primarily due to lower pre-tax income, partially offset by the impairment of certain international assets as well as the equity method goodwill associated with the WES investment, for which Occidental received no tax benefit.

DISCONTINUED OPERATIONS, NET

Discontinued operations, net in 2020 is associated with the operations of Ghana for which Occidental continues to present as held for sale. The decrease in income in 2020 is primarily associated with an after-tax impairment of \$1.4 billion in the second quarter of 2020 to reflect the held for sale assets at their fair value less costs to sell based on the income approach.

LIQUIDITY AND CAPITAL RESOURCES

CASH ON HAND

At December 31, 2020, Occidental had approximately \$2.0 billion in cash and cash equivalents. A substantial majority of this cash is held and available for use in the United States.

Occidental's \$5 billion RCF, available cash, continued access to capital markets and positive operating cash flows will allow Occidental to meet its short- and long-term purchase obligations, near-term debt maturities and other liabilities.

At December 31, 2020, Occidental had \$0.4 billion in current maturities of long-term debt through December 31, 2021 and an additional \$2.1 billion in long-term obligations due in 2022. Other near-term obligations include interest rate swaps with mandatory termination dates in September 2021 with a notional value of \$750 million and accounts payable incurred in the course of Occidental's business activities.

Occidental continues to pursue divestitures of certain assets and intends to use the net proceeds from asset sales and free cash flow to repay its nearer-term debt maturities, but the expected timing and final proceeds from such asset sales are uncertain. Occidental currently expects its cash on hand to be sufficient to meet its debt maturities, operating expenditures and other obligations for the next 12 months from the date of this filing. However, given the inherent uncertainty associated with the duration and severity of the COVID-19 pandemic and its resulting impact on oil demand, Occidental may need to raise capital to fund its operations and refinance debt maturities.

At December 31, 2020, Occidental had \$170 million in restricted cash and restricted cash equivalents, which was primarily associated with an international joint venture, a benefits trust for former Anadarko employees that was funded as part of the Acquisition and a judicially controlled account related to a Brazilian tax dispute. Restricted cash within the benefits trust will be made available to Occidental as benefits are paid to former Anadarko employees.

DEBT ACTIVITY

On March 23, 2020, Occidental amended the sole financial covenant in its RCF by revising the definition of "Total Capitalization" to exclude any non-cash write-downs, impairments and related charges occurring after September 30, 2019. The amendments provide Occidental with additional flexibility in the event of any such write-downs, impairments or other changes under the ratio of Total Debt to Total Capitalization covenant.

In July, August, and December, 2020, Occidental issued several series of notes with maturities from five to ten years. The proceeds from these issuances were used to tender and repay nearer-term notes and the Term Loan. Occidental used proceeds from the sale of mineral and surface acres located in Wyoming, Colorado and Utah, the Colombian asset sale and proceeds from other divestitures to repay debt. Occidental used the net proceeds from asset sales, cash on hand and Senior Notes Offerings to retire or tender \$6.0 billion of 2021, \$2.7 billion of 2022 and \$264 million of 2023 maturities.

In August 2020, Occidental exchanged approximately 27.9 million WES common units to retire a \$260 million note payable to WES.

See [Note 7 - Long-Term Debt](#) in the Notes to Consolidated Financial Statements in Part II Item 8 of this Form 10-K for more information related to Occidental's debt issuance and repayments.

As of December 31, 2020, under the most restrictive covenants of its financing agreements, Occidental had substantial capacity for additional unsecured borrowings, the payment of cash dividends and other distributions on, or acquisitions of, Occidental stock.

CASH FLOW ANALYSIS

CASH PROVIDED BY OPERATING ACTIVITIES

<i>millions</i>	2020		2019		2018
Operating cash flow from continuing operations	\$	3,842	\$	7,336	\$ 7,669
Operating cash flow from discontinued operations, net of taxes		113		39	—
Net cash provided by operating activities	\$	3,955	\$	7,375	\$ 7,669

Cash provided by operating activities decreased \$3.4 billion in 2020 compared to 2019, primarily due to lower oil prices as average WTI and Brent prices decreased by 31% and 33%, respectively. Operating cash flows also decreased due to the decrease in the average Midland-to-Gulf-Coast oil spreads, which decreased by \$5.15 per barrel in 2020 compared to 2019. To a lesser extent, the reduction in realized NGL and natural gas prices also impacted the lower operating cash flows in 2020. These decreases were partially offset by higher oil and gas sale volumes as 2020 had a full year of production from assets associated with the Acquisition along with settlement of the three-way oil collars of \$0.9 billion.

CASH USED BY INVESTING ACTIVITIES

<i>millions</i>	2020	2019	2018
Capital expenditures			
Oil and gas	\$ (2,208)	\$ (5,512)	\$ (4,413)
Chemical	(255)	(267)	(271)
Midstream and marketing	(50)	(461)	(216)
Corporate	(22)	(127)	(75)
Total	\$ (2,535)	\$ (6,367)	\$ (4,975)
Changes in capital accrual	(519)	(249)	55
Purchase of businesses and assets, net	(114)	(28,088)	(928)
Proceeds from sale of assets and equity investments, net	2,281	6,143	2,824
Other investing activities, net	109	(291)	(182)
Investing cash flows from continuing operations	\$ (778)	\$ (28,852)	\$ (3,206)
Investing cash flows from discontinued operations	(41)	(175)	—
Net cash used by investing activities	\$ (819)	\$ (29,027)	\$ (3,206)

Cash flows used by investing activities decreased by \$28.2 billion in 2020 compared to 2019 primarily due to the 2019 Acquisition. Additionally, Occidental reduced capital spending in 2020 in response to the COVID-19 pandemic. See [Note 4 - Divestitures and Other Transactions](#) in the Notes to Consolidated Financial Statements in Part II Item 8 of this Form 10-K for a listing of assets and equity investments sold in 2020, 2019 and 2018.

CASH PROVIDED (USED) BY FINANCING ACTIVITIES

<i>millions</i>	2020	2019	2018
Financing cash flows from continuing operations	\$ (4,508)	\$ 22,196	\$ (3,102)
Financing cash flows from discontinued operations	(8)	(3)	—
Net cash provided (used) by financing activities	\$ (4,516)	\$ 22,193	\$ (3,102)

Cash provided by financing activities decreased by \$26.7 billion compared to 2019 primarily due to the 2019 increase in debt used to fund the Acquisition. Additionally, common dividends paid in 2020 were lower than 2019 due to the Board of Directors' decision to reduce the quarterly dividend rate effective as of July 2020 from \$0.79 to \$0.01 per share. See [Note 7 - Long-Term Debt](#) in the Notes to Consolidated Financial Statements in Part II Item 8 of this Form 10-K for more information related to Occidental's debt issuance and repayments.

OFF-BALANCE SHEET ARRANGEMENTS

GUARANTEES

Occidental has guaranteed its portion of the debt of Dolphin Energy Limited, an equity method investment, and has entered into various other guarantees, including performance bonds, letters of credit, indemnities and commitments provided by Occidental to third parties, mainly to provide assurance that Occidental or its subsidiaries and affiliates will meet their various obligations. See "Midstream and Marketing Segment — Business Review — Pipeline" and "Segment Results of Operations" for further information regarding the Dolphin Energy Project. As of December 31, 2020, and 2019, Occidental had provided limited recourse guarantees of approximately \$242 million, primarily related to Dolphin Energy Limited's debt, which are limited to certain political and other events.

COMMITMENTS AND OBLIGATIONS

DELIVERY COMMITMENTS

Occidental has made long-term commitments to certain refineries and other buyers to deliver oil, NGL and natural gas. The total amount contracted to be delivered is approximately 111 MMbbl of oil through 2025, 862 MMbbl of NGL through 2029 and 1,025 Bcf of gas through 2029. The price for these deliveries is set at the time of delivery of the product. Occidental has significantly more production capacity than the amounts committed and has the ability to secure additional volumes in case of a shortfall.

CONTRACTUAL OBLIGATIONS

The following table summarizes and cross-references Occidental's contractual obligations and indicates on- and off-balance sheet obligations as of December 31, 2020. Commitments related to held for sale assets are excluded.

<i>millions</i>	Total	Payments Due by Year			
		2021	2022 and 2023	2024 and 2025	2026 and thereafter
On-Balance Sheet					
Current portion of long-term debt (Note 7) ^(a)	\$ 398	\$ 398	\$ —	\$ —	\$ —
Long-term debt (Note 7) ^(a)	34,837	—	3,007	6,798	25,032
Leases (Note 8) ^(b)	1,724	500	374	234	616
Asset retirement obligations (Note 1)	4,130	153	845	631	2,501
Other long-term liabilities ^(c)	2,386	321	336	187	1,542
Off-Balance Sheet					
Purchase obligations ^(d)	13,184	2,826	4,344	2,986	3,028
Total	\$ 56,659	\$ 4,198	\$ 8,906	\$ 10,836	\$ 32,719

(a) Excluded unamortized debt discount and interest on the debt. As of December 31, 2020, interest on long-term debt totaling \$19.9 billion is payable in the following years: 2021 - \$1.6 billion, 2022 and 2023 - \$3.2 billion, 2024 and 2025 - \$2.9 billion, 2026 and thereafter - \$12.2 billion.

(b) Occidental is the lessee under various agreements for real estate, equipment, plants and facilities. See Note 2 - Accounting and Disclosure Changes in the Notes to Consolidated Financial Statements in Part II Item 8 of this Form 10-K regarding the impact of rules effective January 1, 2019 which required Occidental to recognize most leases, including operating leases, on the balance sheet.

(c) Includes long term obligations and current portions of long term obligations under postretirement benefit, accrued transportation commitments, ad valorem taxes and other accrued liabilities.

(d) Amounts include payments which will become due under long-term agreements to purchase goods and services used in the normal course of business to secure terminal, pipeline and processing capacity, CO₂, electrical power, steam and certain chemical raw materials. Amounts exclude certain product purchase obligations related to marketing activities for which there are no minimum purchase requirements or the amounts are not fixed or determinable. Long-term purchase contracts are discounted at a 4.41% discount rate.

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 Comprehensive Environmental Response, Compensation and Liability Act (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. Reserves for matters, other than for environmental remediation, that satisfy this criteria as of December 31, 2020 and 2019, were not material to Occidental's Consolidated Balance Sheets.

In 2016, Occidental received payments from the Republic of Ecuador of approximately \$1.0 billion pursuant to a November 2015 arbitration award for Ecuador's 2006 expropriation of Occidental's Participation Contract for Block 15. The awarded amount represented a recovery of 60% of the value of Block 15. In 2017, Andes Petroleum Ecuador Ltd. (Andes) filed a demand for arbitration, claiming it is entitled to a 40% share of the judgment amount obtained by Occidental. Occidental contends that Andes is not entitled to any of the amounts paid under the 2015 arbitration award because Occidental's recovery was limited to Occidental's own 60% economic interest in the block. The merits hearing occurred in September 2020 and an arbitration decision is expected within the next six months.

In August 2019, Sanchez Energy Corporation and certain of its affiliates (Sanchez) filed voluntary petitions for reorganization under Chapter 11 of the United States Bankruptcy Code. Sanchez is a party to agreements with Anadarko as

a result of its 2017 purchase of Anadarko's Eagle Ford Shale assets. Sanchez is attempting to reject some of the agreements related to the purchase of Anadarko's Eagle Ford Shale assets. If Sanchez is permitted to reject certain of those agreements, then Anadarko may owe deficiency payments to various third parties. Occidental intends to defend vigorously any attempt by Sanchez to reject the agreements. Occidental expects a ruling on Sanchez's purported contract rejection in the first half of 2021.

On May 26, 2020, a putative securities class action captioned City of Sterling Heights General Employees' Retirement System, et al. v. Occidental Petroleum Corporation, et al., No. 651994/2020 (City of Sterling), was filed in the Supreme Court of the State of New York. The complaint asserts claims under Sections 11, 12 and 15 of the Securities Act of 1933, as amended (the Securities Act), based on alleged misstatements in the Securities Act filings, including the registration statement filed in connection with the Anadarko Acquisition and Occidental's related issuance of common stock and debt securities offerings that took place in August 2019. The lawsuit was filed against Occidental, certain current and former officers and directors and certain underwriters of the debt securities offerings, and seeks damages in an unspecified amount, plus attorneys' fees and expenses. Two additional putative class actions were filed in the same court (together with City of Sterling, the State Cases) and the State Cases were consolidated into *In re Occidental Petroleum Corporation Securities Litigation*, No. 651830/2020. Occidental intends to vigorously defend itself in all respects in regard to the State Cases.

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 Sheets. If unfavorable outcomes of these matters were to occur, future results of operations or cash flows for any particular quarterly or annual period could be materially adversely affected. 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. Taxable years through 2017 for U.S. federal income tax purposes have been audited by the U.S. Internal Revenue Service (IRS) pursuant to its Compliance Assurance Program and subsequent taxable years are currently under review. Taxable years through 2009 have been audited for state income tax purposes. All other significant audit matters in foreign jurisdictions have been resolved through 2010. 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.

For Anadarko, its taxable years through 2014 and tax year 2016 for U.S. federal and state income tax purposes have been audited by the IRS and respective state taxing authorities. There are outstanding significant audit matters in one foreign jurisdiction. As stated above, during the course of tax audits, disputes have arisen and other disputes may arise as to facts and matters of law. Other than the matter discussed below, Occidental believes that the resolution of these outstanding tax matters would not have a material adverse effect on its consolidated financial position or results of operations.

Anadarko received an \$881 million tentative refund in 2016 related to its \$5.2 billion Tronox Adversary Proceeding settlement payment in 2015. In September 2018, Anadarko received a statutory notice of deficiency from the IRS disallowing the net operating loss carryback and rejecting Anadarko's refund claim. As a result, Anadarko filed a petition with the U.S. Tax Court to dispute the disallowances in November 2018. The case was in the IRS appeals process until the second quarter of 2020, however it has since been returned to the U.S. Tax Court where Occidental expects to continue pursuing resolution.

In accordance with ASC 740's guidance on the accounting for uncertain tax positions, Occidental has recorded no tax benefit on the tentative cash tax refund of \$881 million. As a result, should Occidental not ultimately prevail on the issue, there would be no additional tax expense recorded relative to this position for financial statement purposes other than future interest. However, in that event Occidental would be required to repay approximately \$925 million (\$898 million federal and \$27 million in state taxes) plus accrued interest of approximately \$255 million. A liability for this amount plus interest is included in deferred credits and other liabilities-other.

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 December 31, 2020, 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.

ENVIRONMENTAL LIABILITIES AND EXPENDITURES

Occidental's operations are subject to stringent federal, state, local and international laws and regulations related to improving or maintaining environmental quality. The laws that require or address environmental remediation, including CERCLA and similar federal, state, local and international laws, may apply retroactively and regardless of fault, the legality of the original activities or the current ownership or control of sites. Occidental 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; or operation and maintenance of remedial systems. The 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.

ENVIRONMENTAL REMEDIATION

As of December 31, 2020, Occidental participated in or monitored remedial activities or proceedings at 170 sites. The following table presents Occidental's current and non-current environmental remediation liabilities as of December 31, 2020 and 2019, the current portion of which is included in accrued liabilities (\$123 million in 2020 and \$162 million in 2019) and the remainder in deferred credits and other liabilities - environmental remediation liabilities (\$1.03 billion in 2020 and \$1.04 billion in 2019).

Occidental's environmental remediation sites are grouped into four categories: National Priorities List (NPL) sites listed or proposed for listing by the EPA on the CERCLA NPL and three categories of non-NPL sites — third-party sites, Occidental-operated sites and closed or non-operated Occidental sites.

<i>millions, except number of sites</i>	2020		2019	
	Number of Sites	Remediation Balance	Number of Sites	Remediation Balance
NPL sites	35	\$ 447	36	\$ 463
Third-party sites	69	293	74	311
Occidental-operated sites	17	144	17	154
Closed or non-operated Occidental sites	49	267	50	269
Total	170	\$ 1,151	177	\$ 1,197

As of December 31, 2020, Occidental's environmental liabilities exceeded \$10 million each at 19 of the 170 sites described above, and 96 of the sites had liabilities from \$0 to \$1 million each. As of December 31, 2020, two sites — the Diamond Alkali Superfund Site and a former chemical plant in Ohio (both of which are indemnified by Maxus Energy Corporation, as discussed further below) — accounted for 92% of its liabilities associated with NPL sites. 17 of the 35 NPL sites are indemnified by Maxus.

Five of the 69 third-party sites — a Maxus-indemnified chrome site in New Jersey, a former copper mining and smelting operation in Tennessee, a former oil field and a landfill in California, and an active refinery in Louisiana where Occidental reimburses the current owner for certain remediation activities — accounted for 76% of Occidental's liabilities associated with these sites. 9 of the 69 third-party sites are indemnified by Maxus.

Five sites — oil and gas operations in Colorado and chemical plants in Kansas, Louisiana, New York and Texas — accounted for 70% of the liabilities associated with the Occidental-operated sites. Seven other sites — a landfill in Western New York, a former refinery in Oklahoma, former chemical plants in California, Michigan, Tennessee and Washington, and a closed coal mine in Pennsylvania — accounted for 70% of the liabilities associated with closed or non-operated Occidental sites.

Environmental remediation liabilities vary over time depending on factors such as acquisitions or divestitures, identification of additional sites and remedy selection and implementation. Occidental recorded environmental remediation expenses of \$36 million, \$112 million and \$47 million for the years ended December 31, 2020, 2019, and 2018, respectively. Environmental remediation expenses primarily relate to changes to existing conditions from past operations. Based on current estimates, Occidental expects to expend funds corresponding to approximately 45% of the year-end remediation balance over the next three to four years with the remainder over the subsequent 10 or more years. Occidental believes its range of reasonably possible additional losses beyond those amounts currently recorded for environmental remediation for all of its environmental sites could be up to \$1.1 billion.

MAXUS ENVIRONMENTAL SITES

When Occidental acquired Diamond Shamrock Chemicals Company (DSCC) in 1986, Maxus 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 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 2018, Occidental filed a complaint under CERCLA in Federal District Court in the State of New Jersey against numerous potentially responsible parties for reimbursement of amounts incurred or to be incurred to comply with the AOC, the ROD, or to perform other remediation activities at the Site.

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 current and former parents YPF and each of its respective subsidiaries and affiliates (YPF) and Repsol, S.A. and each of its respective subsidiaries and affiliates (Repsol), as well as 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. The trust is pursuing claims against YPF, Repsol and others and is expected to distribute assets to Maxus' creditors in accordance with the trust agreement and Plan. In June 2018, the trust filed its complaint against YPF and Repsol in Delaware bankruptcy court asserting claims based upon, among other things, fraudulent transfer and alter ego. During 2019, the bankruptcy court denied Repsol's and YPF's motions to dismiss the complaint as well as their motions to move the case away from the bankruptcy court. Discovery remains ongoing at the time of this report.

ENVIRONMENTAL COSTS

Occidental's environmental costs, some of which include estimates, are presented below for each segment for each of the years ended December 31:

<i>millions</i>	2020		2019		2018	
Operating Expenses						
Oil and gas	\$	176	\$	174	\$	91
Chemical		73		80		80
Midstream and marketing		4		12		10
Total	\$	253	\$	266	\$	181
Capital Expenditures						
Oil and gas	\$	74	\$	109	\$	71
Chemical		40		34		23
Midstream and marketing		1		4		2
Total	\$	115	\$	147	\$	96
Remediation Expenses						
Corporate	\$	36	\$	112	\$	47

Operating expenses are incurred on a continual basis. Capital expenditures relate to longer-lived improvements in properties currently operated by Occidental. Remediation expenses relate to existing conditions from past operations.

GLOBAL INVESTMENTS

A portion of Occidental's assets are located outside North America. The following table shows the geographic distribution of Occidental's assets at December 31, 2020 at both the segment and consolidated level related to Occidental's ongoing operations:

<i>millions</i>	Oil and gas		Chemical		Midstream and marketing		Corporate and other		Total Consolidated
North America									
United States	\$	57,026	\$	4,140	\$	6,260	\$	2,951	\$ 70,377
Canada		—		123		22		—	145
Middle East		3,500		—		3,547		—	7,047
Latin America		33		57		—		—	90
Africa and Other		2,372		6		27		—	2,405
Consolidated	\$	62,931	\$	4,326	\$	9,856	\$	2,951	\$ 80,064

For the year ended December 31, 2020, net sales outside North America totaled \$3.4 billion, or approximately 19% of total net sales.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The process of preparing financial statements in accordance with generally accepted accounting principles requires Occidental's management to make informed estimates and judgments regarding certain items and transactions. Changes in facts and circumstances or discovery of new information may result in revised estimates and judgments and actual results may differ from these estimates upon settlement but generally not by material amounts. The selection and development of these policies and estimates have been discussed with the Audit Committee of the Board of Directors. Occidental considers the following to be its most critical accounting policies and estimates that involve management's judgment.

OIL AND GAS PROPERTIES

The carrying value of Occidental's property, plant and equipment (PP&E) represents the cost incurred to acquire or develop the asset, including any asset retirement obligations (AROs) and capitalized interest, net of DD&A and any impairment charges. For assets acquired in a business combination, PP&E cost is based on fair values at the acquisition date. Asset retirement obligations and interest costs incurred in connection with qualifying capital expenditures are capitalized and amortized over the useful lives of the related assets.

Occidental uses the successful efforts method to account for its oil and gas properties. Under this method, Occidental capitalizes costs of acquiring properties, costs of drilling successful exploration wells and development costs. The costs of exploratory wells are initially capitalized pending a determination of whether proved reserves have been found. If proved reserves have been found, the costs of exploratory wells remain capitalized. For exploratory wells that find reserves that cannot be classified as proved when drilling is completed, costs continue to be capitalized as suspended exploratory drilling costs if there have been sufficient reserves found to justify completion as a producing well and sufficient progress is being made in assessing the economic and operating viability of the project. At the end of each quarter, management reviews the status of all suspended exploratory drilling costs in light of ongoing exploration activities, in particular, whether Occidental is making sufficient progress in its ongoing exploration and appraisal efforts or, in the case of discoveries requiring government sanctioning, analyzing whether development negotiations are underway and proceeding as planned. If management determines that future appraisal drilling or development activities are unlikely to occur, associated suspended exploratory well costs are expensed.

Occidental expenses annual lease rentals, the costs of injectants used in production and geological and geophysical costs as incurred for exploration activities.

Occidental determines depreciation and depletion of oil and gas producing properties by the unit-of-production method. It amortizes leasehold acquisition costs over total proved reserves and capitalized development and successful exploration costs over proved developed reserves.

Proved oil and gas reserves are those quantities of oil and gas which, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be economically producible—from a given date forward, from known reservoirs, and under existing economic conditions, operating methods, and government regulations—prior to the time at which contracts providing the right to operate expire, unless evidence indicates that renewal is reasonably certain,

regardless of whether deterministic or probabilistic methods are used for the estimation. Occidental has no proved oil and gas reserves for which the determination of economic producibility is subject to the completion of major additional capital expenditures.

Several factors could change Occidental's proved oil and gas reserves. For example, Occidental receives a share of production from PSCs to recover its costs and generally an additional share for profit. Occidental's share of production and reserves from these contracts decreases when product prices rise and increases when prices decline. Generally, Occidental's net economic benefit from these contracts is greater at higher product prices. In other cases, particularly with long-lived properties, lower product prices may lead to a situation where production of a portion of proved reserves becomes uneconomical. For such properties, higher product prices typically result in additional reserves becoming economical. Estimation of future production and development costs is also subject to change partially due to factors beyond Occidental's control, such as energy costs and inflation or deflation of oil field service costs. These factors, in turn, could lead to changes in the quantity of proved reserves. Additional factors that could result in a change of proved reserves include production decline rates and operating performance differing from those estimated when the proved reserves were initially recorded. Changes in the political and regulatory climate could lead to decreases in proved reserves as development horizons may be extended into the future.

Occidental performs impairment tests with respect to its proved properties whenever events or circumstances indicate that the carrying value of property may not be recoverable. If there is an indication the carrying amount of the asset may not be recovered due to significant and prolonged declines in current and forward prices, significant changes in reserve estimates, changes in management's plans, or other significant events, management will evaluate the property for impairment. Under the successful efforts method, if the sum of the undiscounted cash flows is less than the carrying value of the proved property, the carrying value is reduced to estimated fair value and reported as an impairment charge in the period. Individual proved properties are grouped for impairment purposes at the lowest level for which there are identifiable cash flows. The fair value of impaired assets is typically determined based on the present value of expected future cash flows using discount rates believed to be consistent with those used by market participants. The impairment test incorporates a number of assumptions involving expectations of future cash flows which can change significantly over time. These assumptions include estimates of future production, product prices, contractual prices, estimates of risk-adjusted oil and gas proved and unproved reserves and estimates of future operating and development costs. It is reasonably possible that prolonged declines in commodity prices, reduced capital spending in response to lower prices or increases in operating costs could result in additional impairments.

For impairment testing, unless prices are contractually fixed, Occidental uses observable forward strip prices for oil and natural gas prices when projecting future cash flows. Future operating and development costs are estimated using the current cost environment applied to expectations of future operating and development activities to develop and produce oil and gas reserves. Market prices for oil, NGL and natural gas have been volatile and may continue to be volatile in the future. Changes in global supply and demand, transportation capacity, currency exchange rates, applicable laws and regulations and the effect of changes in these variables on market perceptions could impact current forecasts. Future fluctuations in commodity prices could result in estimates of future cash flows to vary significantly.

Net capitalized costs attributable to unproved properties were \$18.6 billion at December 31, 2020, and \$29.5 billion at December 31, 2019. The unproved amounts are not subject to DD&A until they are classified as proved properties. Individually insignificant unproved properties are combined and amortized on a group basis based on factors such as lease terms, success rates and other factors to provide for full amortization upon lease expiration or abandonment.

Significant unproved properties, primarily as a result of the Acquisition, are assessed individually for impairment and when events or circumstances indicate that the carrying value of property may not be recovered a valuation allowance is provided if an impairment is indicated. Occidental periodically reviews significant unproved properties for impairments; numerous factors are considered, including but not limited to, availability of funds for future exploration and development activities, current exploration and development plans, favorable or unfavorable exploration activity on the property or the adjacent property, geologists' evaluation of the property, the current and projected political and regulatory climate, contractual conditions and the remaining lease term for the properties. If an impairment is indicated, Occidental will first determine whether a comparable transaction for similar properties or implied acreage valuation derived from domestic onshore market participants is available and will adjust the carrying amount of the unproved property to its fair value using the market approach. In situations where the market approach is not observable and unproved reserves are available, undiscounted future net cash flows used in the impairment analysis are determined based on managements' risk adjusted estimates of unproved reserves, future commodity prices and future costs to produce the reserves. If undiscounted future net cash flows are less than the carrying value of the property, the future net cash flows are discounted and compared to the carrying value for determining the amount of the impairment loss to record. Occidental utilizes the same assumptions and methodology discussed above for cash flows associated with proved properties.

PROVED RESERVES

Occidental estimates its proved oil and gas reserves according to the definition of proved reserves provided by the SEC and Financial Accounting Standards Board. This definition includes oil, NGL and natural gas that geological and engineering data demonstrate with reasonable certainty to be economically producible in future periods from known reservoirs under existing economic conditions, operating methods, government regulations, etc. (at prices and costs as of the date the estimates are made). Prices include consideration of price changes provided only by contractual arrangements and do not include adjustments based on expected future conditions. For reserves information, see the Supplemental Information on Oil and Gas Exploration and Production Activities under Item 8 of this Form 10-K.

Engineering estimates of the quantities of proved reserves are inherently imprecise and represent only approximate amounts because of the judgments involved in developing such information. Occidental's estimates of proved reserves are made using available geological and reservoir data as well as production performance data. The reliability of these estimates at any point in time depends on both the quality and quantity of the technical and economic data and the efficiency of extracting and processing the hydrocarbons. These estimates are reviewed annually by internal reservoir engineers and revised, either upward or downward, as warranted by additional data. Revisions are necessary due to changes in, among other things, development plans, reservoir performance, prices, economic conditions and governmental restrictions as well as changes in the expected recovery associated with infill drilling. Decreases in prices, for example, may cause a reduction in some proved reserves due to reaching economic limits at an earlier projected date. A material adverse change in the estimated volume of proved reserves could have a negative impact on DD&A and could result in property impairments.

The most significant ongoing financial statement effect from a change in Occidental's oil and gas reserves or impairment of its proved properties would be to the DD&A rate. For example, a 5% increase or decrease in the amount of oil and gas reserves would change the DD&A rate by approximately \$0.80/Bbl, which would increase or decrease pre-tax income by approximately \$330 million annually at current production rates.

FAIR VALUES

Occidental estimates fair-value of long-lived assets for impairment testing, assets and liabilities acquired in a business combination or exchanged in non-monetary transactions, pension plan assets and initial measurements of AROs.

Accounting for the acquisition of a business requires the allocation of the purchase price to the various assets and liabilities of the acquired business and recording deferred taxes for any differences between the allocated values and tax basis of assets and liabilities. Any excess of the purchase price over the amounts assigned to assets and liabilities is recorded as goodwill. The purchase price allocation is accomplished by recording each asset and liability at its estimated fair value.

Occidental primarily applies the market approach for recurring fair value measurements, maximizes its use of observable inputs and minimizes its use of unobservable inputs. When estimating the fair values of assets acquired and liabilities assumed, Occidental must apply various assumptions.

FINANCIAL ASSETS AND LIABILITIES

Occidental utilizes the mid-point between bid and ask prices for valuing the majority of its financial assets and liabilities measured and reported at fair value. In addition to using market data, Occidental makes assumptions in valuing its assets and liabilities, including assumptions about the risks inherent in the inputs to the valuation technique. For financial assets and liabilities carried at fair value, Occidental measures fair value using the following methods:

- Occidental values exchange-cleared commodity derivatives using closing prices provided by the exchange as of the balance sheet date. These derivatives are classified as using quoted prices in active markets for the assets or liabilities (Level 1).
- Over-the-Counter (OTC) bilateral financial commodity contracts, international exchange contracts, options and physical commodity forward purchase and sale contracts are generally classified as using observable inputs other than quoted prices for the assets or liabilities (Level 2) and are generally valued using quotations provided by brokers or industry-standard models that consider various inputs, including quoted forward prices for commodities, time value, volatility factors, credit risk and current market and contractual prices for the underlying instruments, as well as other relevant economic measures. Substantially all of these inputs are observable in the marketplace throughout the full term of the instrument and can be derived from observable data or are supported by observable prices at which transactions are executed in the marketplace.
- Occidental values commodity derivatives based on a market approach that considers various assumptions, including quoted forward commodity prices and market yield curves. The assumptions used include inputs that are generally unobservable in the marketplace or are observable but have been adjusted based upon various assumptions and the fair value is designated as using unobservable inputs (Level 3) within the valuation hierarchy.
- Occidental values debt using market-observable information for debt instruments that are traded on secondary markets. For debt instruments that are not traded, the fair value is determined by interpolating the value based on debt with similar terms and credit risk.

NON-FINANCIAL ASSETS

Occidental uses market-observable prices for assets when comparable transactions can be identified that are similar to the asset being valued. When Occidental is required to measure fair value and there is not a market-observable price for the asset or for a similar asset then the cost or income approach is used depending on the quality of information available to support management's assumptions. The cost approach is based on management's best estimate of the current asset replacement cost. The income approach is based on management's best assumptions regarding expectations of future net cash flows and the expected cash flows are discounted using a commensurate risk-adjusted discount rate. Such evaluations involve significant judgment. The results are based on expected future events or conditions such as sales prices, estimates of future oil and gas production or throughput, development and operating costs and the timing thereof, economic and regulatory climates and other factors, most of which are often outside of management's control. However, assumptions used reflect a market participant's view of long-term prices, costs and other factors and are consistent with assumptions used in Occidental's business plans and investment decisions.

ENVIRONMENTAL LIABILITIES AND EXPENDITURES

Environmental expenditures that relate to current operations are expensed or capitalized as appropriate. Occidental records environmental liabilities and related charges and expenses for estimated remediation costs that relate to existing conditions from past operations when environmental remediation efforts are probable and the costs can be reasonably estimated. In determining the environmental remediation liability and the range of reasonably possible additional losses, Occidental refers to currently available information, including relevant past experience, remedial objectives, available technologies, applicable laws and regulations and cost-sharing arrangements. Occidental bases its environmental remediation liabilities on management's estimate of the most likely cost to be incurred, using the most cost-effective technology reasonably expected to achieve the remedial objective. Occidental periodically reviews its environmental remediation liabilities and adjusts them as new information becomes available. Occidental records environmental remediation liabilities on a discounted basis when it deems the aggregate amount and timing of cash payments to be reliably determinable at the time the reserves are established. The reserve methodology with respect to discounting for a specific site is not modified once it is established. Presently none of its environmental remediation liabilities are recorded on a discounted basis. Occidental generally records reimbursements or recoveries of environmental remediation costs in income when received, or when receipt of recovery is highly probable.

Many factors could affect Occidental's future remediation costs and result in adjustments to its environmental remediation liabilities and the range of reasonably possible additional losses. The most significant are: (1) cost estimates for remedial activities may vary from the initial estimate; (2) the length of time, type or amount of remediation necessary to achieve the remedial objective may change due to factors such as site conditions, the ability to identify and control contaminant sources or the discovery of additional contamination; (3) a regulatory agency may ultimately reject or modify Occidental's proposed remedial plan; (4) improved or alternative remediation technologies may change remediation costs; (5) laws and regulations may change remediation requirements or affect cost sharing or allocation of liability; and (6) changes in allocation or cost-sharing arrangements may occur.

Certain sites involve multiple parties with various cost-sharing arrangements, which fall into the following three categories: (1) environmental proceedings that result in a negotiated or prescribed allocation of remediation costs among Occidental and other alleged potentially responsible parties; (2) oil and gas ventures in which each participant pays its proportionate share of remediation costs reflecting its working interest; or (3) contractual arrangements, typically relating to purchases and sales of properties, in which the parties to the transaction agree to methods of allocating remediation costs. In these circumstances, Occidental evaluates the financial viability of other parties with whom it is alleged to be jointly liable, the degree of their commitment to participate and the consequences to Occidental of their failure to participate when estimating Occidental's ultimate share of liability. Occidental records its environmental remediation liabilities at its expected net cost of remedial activities and, based on these factors, believes that it will not be required to assume a share of liability of such other potentially responsible parties in an amount materially above amounts reserved.

In addition to the costs of investigations and cleanup measures, which often take in excess of 10 years at CERCLA NPL sites, Occidental's environmental remediation liabilities include management's estimates of the costs to operate and maintain remedial systems. If remedial systems are modified over time in response to significant changes in site-specific data, laws, regulations, technologies or engineering estimates, Occidental reviews and adjusts its environmental remediation liabilities accordingly.

If Occidental were to adjust the balance of its environmental remediation liabilities based on the factors described above, the amount of the increase or decrease would be recognized in earnings. For example, if the balance were reduced by 10%, Occidental would record a pre-tax gain of \$115 million. If the balance were increased by 10%, Occidental would record an additional remediation expense of \$115 million.

INCOME TAXES

Occidental files various U.S. federal, state and foreign income tax returns. The impact of changes in tax regulations are reflected when enacted. In general, deferred federal, state and foreign income taxes are provided on temporary differences between the financial statement carrying amounts of assets and liabilities and their respective tax basis. Occidental routinely assesses the realizability of its deferred tax assets. If Occidental concludes that it is more likely than not that some of the

deferred tax assets will not be realized, the tax asset is reduced by a valuation allowance. Occidental recognizes a tax benefit from an uncertain tax position when it is more likely than not that the position will be sustained upon examination, based on the technical merits of the position. The tax benefit recorded is equal to the largest amount that is greater than 50% likely to be realized through final settlement with a taxing authority. Interest and penalties related to unrecognized tax benefits are recognized in income tax expense (benefit). Occidental uses the flow-through method to account for its investment tax credits. See [Note 12 - Income Taxes](#) in the Notes to Consolidated Financial Statements in Part II Item 8 of this Form 10-K.

LOSS CONTINGENCIES

Occidental is involved, in the normal course of business, in lawsuits, claims and other legal proceedings and audits. Occidental accrues reserves for these matters when it is probable that a liability has been incurred and the liability can be reasonably estimated. In addition, Occidental discloses, in aggregate, its exposure to loss in excess of the amount recorded on the balance sheet for these matters if it is reasonably possible that an additional material loss may be incurred. Occidental reviews its loss contingencies on an ongoing basis.

Loss contingencies are based on judgments made by management with respect to the likely outcome of these matters and are adjusted as appropriate. Management's judgments could change based on new information, changes in, or interpretations of, laws or regulations, changes in management's plans or intentions, opinions regarding the outcome of legal proceedings, or other factors. See [Note 11 - Lawsuits, Claims, Commitments and Contingencies](#) in the Notes to Consolidated Financial Statements in Part II Item 8 of this Form 10-K for additional information.

SIGNIFICANT ACCOUNTING AND DISCLOSURE CHANGES

See [Note 2 - Accounting and Disclosure Changes](#) in the Notes to Consolidated Financial Statements in Part II Item 8 of this Form 10-K for further information on significant accounting and disclosure changes.

SAFE HARBOR DISCUSSION REGARDING OUTLOOK AND OTHER FORWARD-LOOKING DATA

Portions of this report contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements other than statements of historical fact are "forward-looking statements" for purposes of federal and state securities laws, and they include, but are not limited to: any projections of earnings, revenue or other financial items or future financial position or sources of financing; any statements of the plans, strategies and objectives of management for future operations or business strategy; any statements regarding future economic conditions or performance; any statements of belief; and any statements of assumptions underlying any of the foregoing. 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 are generally indicative of 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, modify or withdraw any forward-looking statements as a result of new information, future events or otherwise.

Although Occidental believes that the expectations reflected in any of its forward-looking statements are reasonable, actual results may differ from anticipated results, sometimes materially. Factors that could cause results to differ from those projected or assumed in any forward-looking statement include, but are not limited to: the scope and duration of the COVID-19 pandemic and actions taken by governmental authorities and other third parties in response to the pandemic; Occidental's indebtedness and other payment obligations, including the need to generate sufficient cash flows to fund operations; Occidental's ability to successfully monetize select assets, repay or refinance debt and the impact of changes in Occidental's credit ratings; assumptions about energy markets; global and local commodity and commodity-futures pricing fluctuations, such as the sharp decline in crude oil prices that occurred in the first half of 2020; supply and demand considerations for, and the prices of, Occidental's products and services; actions by OPEC and non-OPEC oil producing countries; results from operations and competitive conditions; future impairments of our proved and unproved oil and gas properties or equity investments, or write-downs of productive assets, causing charges to earnings; unexpected changes in costs; availability of capital resources, levels of capital expenditures and contractual obligations; the regulatory approval environment, including Occidental's ability to timely obtain or maintain permits or other governmental approvals, including those necessary for drilling and/or development projects; Occidental's ability to successfully complete, or any material delay of, field developments, expansion projects, capital expenditures, efficiency projects, acquisitions or dispositions; risks associated with acquisitions, mergers and joint ventures, such as difficulties integrating businesses, uncertainty associated with financial projections, projected synergies, restructuring, increased costs and adverse tax consequences; uncertainties and liabilities associated with acquired and divested properties and businesses; uncertainties about the estimated quantities of oil, NGL and natural gas reserves; lower-than-expected production from development projects or acquisitions;

Occidental's ability to realize the anticipated benefits from prior or future streamlining actions to reduce fixed costs, simplify or improve processes and improve Occidental's competitiveness; exploration, drilling and other operational risks; disruptions to, capacity constraints in, or other limitations on the pipeline systems that deliver Occidental's oil and natural gas and other processing and transportation considerations; general economic conditions, including slowdowns, domestically or internationally, and volatility in the securities, capital or credit markets; uncertainty from the expected discontinuance of LIBOR and transition to any other interest rate benchmark; governmental actions and political conditions and events; legislative or regulatory changes, including changes relating to hydraulic fracturing or other oil and natural gas operations, retroactive royalty or production tax regimes, deepwater and onshore drilling and permitting regulations and environmental regulation (including regulations related to climate change); environmental risks and liability under international, provincial, federal, regional, state, tribal, local and foreign environmental laws and regulations (including remedial actions); potential liability resulting from pending or future 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; the creditworthiness and performance of Occidental's counterparties, including financial institutions, operating partners and other parties; failure of risk management; Occidental's ability to retain and hire key personnel; reorganization or restructuring of Occidental's operations; changes in state, federal or foreign tax rates; and actions by third parties that are beyond Occidental's control. The unprecedented nature of the COVID-19 pandemic and recent market decline may make it more difficult to identify potential risks, give rise to risks that are currently unknown or amplify the impact of known risks.

Additional information concerning these and other factors that may cause Occidental's results of operations and financial position to differ from expectations can be found in Item 1A, "Risk Factors" and elsewhere in this Form 10-K, as well as in Occidental's other filings with the U.S. Securities and Exchange Commission, including Occidental's Quarterly Reports on Form 10-Q and Current Reports on Form 8-K.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

COMMODITY PRICE RISK

GENERAL

Occidental's results are sensitive to fluctuations in oil, NGL and natural gas prices. Price changes at current global prices and levels of production affect Occidental's pre-tax annual income by approximately \$200 million for a \$1 per barrel change in oil prices and \$85 million for a \$1 per barrel change in NGL prices. If domestic natural gas prices varied by \$0.10 per Mcf, it would have an estimated annual effect on Occidental's pre-tax income of approximately \$35 million. These price-change sensitivities include the impact of PSC and similar contract volume changes on income. If production levels change in the future, the sensitivity of Occidental's results to prices also will change. Marketing results are sensitive to price changes of oil, natural gas and, to a lesser degree, other commodities. A \$0.25 change in the Midland-to-Gulf-Coast oil spreads impacts total year operating cash flows by \$65 million.

Occidental's results are also sensitive to fluctuations in chemical prices. A variation in chlorine and caustic soda prices of \$10 per ton would have a pre-tax annual effect on income of approximately \$10 million and \$30 million, respectively. A variation in PVC prices of \$0.01 per lb. would have a pre-tax annual effect on income of approximately \$30 million. Historically, over time, product price changes have tracked raw material and feedstock product price changes, somewhat mitigating the effect of price changes on margins.

Occidental uses derivative instruments, including a combination of short-term futures, forwards, options and swaps, to obtain the average prices for the relevant production month and to improve realized prices for oil and gas.

RISK MANAGEMENT

Occidental conducts its risk management activities for marketing and trading under the controls and governance of its risk control policies. The controls under these policies are implemented and enforced by a risk management group which monitors risk by providing an independent and separate evaluation and check. Members of the risk management group report to the Corporate Vice President and Treasurer. Controls for these activities include limits on value at risk, limits on credit, limits on total notional trade value, segregation of duties, delegation of authority, daily price verifications, reporting to senior management on various risk measures and a number of other policy and procedural controls.

FAIR VALUE OF MARKETING DERIVATIVE CONTRACTS

Occidental carries derivative contracts it enters into in connection with its marketing activities at fair value. Fair values for these contracts are derived from Level 1 and Level 2 sources. The fair values in future maturity periods are insignificant.

QUANTITATIVE AND QUALITATIVE DISCLOSURES

The following table shows the fair value of Occidental's derivatives (excluding collateral), segregated by maturity periods and by methodology of fair value estimation:

Source of Fair Value Assets/(Liabilities) millions	Maturity Periods				Total
	2021	2022 and 2023	2024 and 2025	2026 and thereafter	
Prices actively quoted	\$ (97)	\$ —	\$ —	\$ —	(97)
Prices provided by other external sources	(1)	2	—	—	1
Total	\$ (98)	\$ 2	\$ —	\$ —	(96)

QUANTITATIVE INFORMATION

Occidental uses value at risk to estimate the potential effects of changes in fair values of commodity contracts used in trading activities. This measure determines the maximum potential negative one day change in fair value with a 95% level of confidence. Additionally, Occidental uses complementary trading limits including position and tenor limits and maintains liquid positions as a result of which market risk typically can be neutralized or mitigated on short notice. As a result of these controls, Occidental believes that the market risk of its trading activities is not reasonably likely to have a material adverse effect on its performance.

INTEREST RATE RISK

GENERAL

Occidental acquired interest rate swap contracts in the Acquisition. Occidental pays a fixed interest rate and receives a floating interest rate indexed to three-month LIBOR. The swaps have an initial term of 30 years with mandatory termination dates in September 2021 through 2023 and a total notional amount of approximately \$1.5 billion as of December 31, 2020. As of December 31, 2020, Occidental had a net liability of approximately \$1.4 billion based on the fair value of the swaps of negative \$1.8 billion netted against \$374 million in posted cash collateral. A 25-basis point decrease in implied LIBOR rates over the term of the swaps would result in an additional liability of approximately \$173 million on these swaps.

As of December 31, 2020, Occidental had variable rate debt with a notional value of \$1.1 billion outstanding. A 25-basis point increase in LIBOR interest rates would increase gross interest expense approximately \$3 million per year.

As of December 31, 2020, Occidental had fixed rate debt with a fair value of \$32.7 billion outstanding. A 25-basis point change in Treasury rates would change the fair value of the fixed rate debt approximately \$600 million.

TABULAR PRESENTATION OF INTEREST RATE RISK

The table below provides information about Occidental's long-term debt obligations. Debt amounts represent principal payments by maturity date.

millions except percentages	U.S. Dollar Fixed-Rate Debt		U.S. Dollar Variable-Rate Debt		Total ^(a)
2021	\$	371	\$	27	\$ 398
2022		1,006		1,052	2,058
2023		949		—	949
2024		3,898		—	3,898
2025		2,900		—	2,900
Thereafter		24,964		68	25,032
Total	\$	34,088	\$	1,147	\$ 35,235
Weighted-average interest rate		4.78%		1.73%	4.68%
Fair Value	\$	32,678	\$	1,128	\$ 33,806

^(a) Excluded net unamortized debt premiums of \$748 million and debt issuance cost of \$156 million.

FOREIGN CURRENCY RISK

Occidental's international operations have limited currency risk. Occidental manages its exposure primarily by balancing monetary assets and liabilities and limiting cash positions in foreign currencies to levels necessary for operating purposes. A vast majority of international oil sales are denominated in United States dollars. Additionally, all of Occidental's consolidated

international oil and gas subsidiaries have the United States dollar as the functional currency. As of December 31, 2020, the fair value of foreign currency derivatives used in the marketing operations was immaterial. The effect of exchange rates on transactions in foreign currencies is included in periodic income.

CREDIT RISK

The majority of Occidental's counterparty credit risk is related to the physical delivery of energy commodities to its customers and any inability of these customers 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 futures 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 OTC 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 party would need to post. The fair value of derivative instruments with credit-risk-contingent features, that were net liabilities at December 31, 2020 was \$104 million (net of \$374 million collateral) and \$787 million (net of \$169 million collateral) at December 31, 2019. Credit-risk-contingent features are primarily related to interest rate swaps.

As of December 31, 2020, the substantial majority of the credit exposures were with investment grade counterparties. Occidental believes its exposure to credit-related losses at December 31, 2020, was not material and losses associated with credit risk have been insignificant for all years presented.

DERIVATIVE INSTRUMENTS HELD FOR NON-TRADING PURPOSES

As of December 31, 2020, Occidental had derivative instruments in place to reduce the price risk associated with future oil production of 350Mbb/d. As of December 31, 2020, these derivative instruments were at a \$42 million net derivative liability position.

The following table shows a sensitivity analysis based on both a 5% and 10% change in commodity prices and their effect on the net derivative liability position of \$42 million at December 31, 2020:

millions except percentages

Percent change in commodity prices	Resulting net fair value position-asset (liability)	Change to fair value from December 31, 2020 position
+ 5%	\$ (67)	\$ (25)
- 5%	\$ (26)	\$ 16
+ 10%	\$ (102)	\$ (60)
-10%	\$ (15)	\$ 27

As of December 31, 2020, Occidental had derivative instruments in place to reduce the price risk associated with future gas production of 530 thousand MMBtu/d. As of December 31, 2020, these derivative instruments were at a \$25 million net derivative asset position.

The following table shows a sensitivity analysis based on both a 5% and 10% change in commodity prices and their effect on the net derivative asset position of \$25 million at December 31, 2020:

millions except percentages

Percent change in commodity prices	Resulting net fair value position-asset (liability)	Change to fair value from December 31, 2020 position
+ 5%	\$ 13	\$ (12)
- 5%	\$ 37	\$ 12
+ 10%	\$ 1	\$ (24)
-10%	\$ 51	\$ 26

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

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Report of Independent Registered Public Accounting Firm

To the Stockholders and Board of Directors
Occidental Petroleum Corporation:

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of Occidental Petroleum Corporation and subsidiaries (the Company) as of December 31, 2020 and 2019, the related consolidated statements of operations, comprehensive income (loss), stockholders' equity, and cash flows for each of the years in the three-year period ended December 31, 2020, and the related notes and financial statement schedule II – valuation and qualifying accounts (collectively, the consolidated financial statements). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2020 and 2019, and the results of its operations and its cash flows for each of the years in the three-year period ended December 31, 2020, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2020, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission, and our report dated February 26, 2021 expressed an unqualified opinion on the effectiveness of the Company's internal control over financial reporting.

Change in Accounting Principle

As discussed in Notes 2 and 8 to the consolidated financial statements, the Company changed its method of accounting for leases as of January 1, 2019 due to the adoption of Accounting Standards Codification Topic 842, *Leases*.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the consolidated financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Evaluation of the environmental liability associated with the lower 8.3 miles of the Lower Passaic River site

As discussed in Notes 1 and 10 to the consolidated financial statements, the Company accrues a liability for estimated environmental remedial activities when it is probable a liability has been incurred and the amount of remediation costs can be estimated. The Company accrued a liability related to its estimated allocable share of the costs to perform the remedial activities required for the lower 8.3 miles of the Lower Passaic River site. As of December 31, 2020, the Company's estimated environmental liabilities were \$1.2 billion.

We identified the evaluation of the environmental liability associated with the lower 8.3 miles of the Lower Passaic River site as a critical audit matter. There was a high degree of subjective auditor judgment in applying and evaluating the results of our procedures. This is due to (1) possible changes to expected remedial activities to implement the proposed clean-up plan outlined in the Record of Decision (ROD) issued by the Environmental Protection Agency (EPA) and their estimated costs, and (2) possible changes to the Company's estimated share of the remediation costs.

The following are the primary procedures we performed to address this critical audit matter. We evaluated the design and tested the operating effectiveness of certain internal controls over the Company's environmental liability process to estimate the cost of remedial activities and estimate the Company's allocable share of the remediation costs. We evaluated the remedial activities and related cost assumptions used by the Company by comparing them against remedial activities and cost estimates provided by the EPA in the ROD. We compared certain design documentation provided by the Company to the EPA in order to identify potential differences between the design plan and the ROD and assessed the impact of any such differences on the remediation cost assumptions used by the Company to estimate the liability. We assessed the Company's assumption for its allocable share of the remediation costs and analyzed publicly available data sources for information that might be contrary to the information used by the Company. We involved an environmental analysis professional with specialized skills and knowledge who assisted in reading correspondence between the Company and the EPA related to the design phase for this site to assess the Company's remediation cost assumptions.

Assessment of the estimated proved oil and gas reserves on the determination of depreciation and depletion expense related to proved oil and gas properties

As discussed in Note 1 to the consolidated financial statements, the Company determines depreciation and depletion of oil and gas producing properties by the unit-of-production method. Under this method, capitalized costs are amortized over estimated proved reserves. For the year ended December 31, 2020, the Company recorded depreciation and depletion expense related to proved oil and gas properties of \$7.4 billion.

We identified the assessment of the estimated proved oil and gas reserves on the determination of depreciation and depletion expense related to proved oil and gas properties as a critical audit matter. Complex auditor judgment was required to assess the Company's estimate of proved oil and gas reserves, which is a key input for the determination of depreciation and depletion expense. Estimating proved oil and gas reserves requires the expertise of professional petroleum reservoir engineers. The key assumptions included (1) commodity prices, inclusive of market differentials, (2) estimated future production quantities, and (3) estimated operating and capital costs.

The following are the primary procedures we performed to address this critical audit matter. We evaluated the design and tested the operating effectiveness of certain internal controls over the Company's depreciation and depletion process, including the estimation of proved oil and gas reserves. We analyzed and assessed the determination of depreciation and depletion expense for compliance with industry and regulatory standards. We assessed compliance of the methodology used by the Company's engineering and technical staff to estimate proved oil and gas reserves with industry and regulatory standards. We read the findings of the independent reservoir engineering specialist's review of the methods and procedures used by the Company in estimating the proved reserves for compliance with industry and regulatory standards. We assessed the commodity prices, including relevant market differentials, used by the Company's engineering and technical staff by comparing them to publicly available prices, adjusted for historical market differentials. To assess the Company's ability to accurately estimate future production quantities, we compared the future production quantity assumptions used by the Company in prior periods to the actual production amounts. We compared the estimated future production quantities used by the Company in the current period to historical production rates. We evaluated the operating and capital cost assumptions used by the Company's engineering and technical staff by comparing them to historical costs. We evaluated the professional qualifications and the knowledge, skills, and ability of the Company's internal reserve engineers and the independent reservoir engineering specialists engaged by the Company.

Evaluation of the recoverability and fair value estimate of certain proved oil and gas properties

As discussed in Notes 1 and 17 to the consolidated financial statements, the Company performs impairment tests with respect to its proved oil and gas properties whenever events or circumstances indicate that the carrying value of property may not be recoverable. If there is an indication the carrying amount of the asset may not be recovered, the Company estimates the undiscounted cash flows of the proved oil and gas property and compares the undiscounted cash flows to carrying value of the proved property. If the sum of the undiscounted cash flows is less than the carrying value of the proved property, the carrying value is reduced to estimated fair value and reported as an impairment charge in the period. The Company recorded impairment charges of \$4.6 billion for its proved oil and gas properties, including properties held for sale, for the year ended December 31, 2020.

We identified the evaluation of the recoverability and fair value estimate of certain proved oil and gas properties as a critical audit matter. Subjective auditor judgment was required to evaluate the key assumptions used to estimate the undiscounted future net cash flows used in the recoverability analysis and the discounted future net cash flows used in the determination of fair value for those properties where the carrying value exceeded the undiscounted cash flows. The key assumptions included (1) estimated future commodity prices, (2) estimated future production quantities, (3) estimated future operating and capital costs, (4) discount rate, and (5) reserve category risk adjustment factors.

The following are the primary procedures we performed to address this critical audit matter. We evaluated the design and tested the operating effectiveness of certain internal controls over the Company's proved oil and gas impairment process, including controls related to the key assumptions. We compared benchmark commodity prices used by the Company in estimating future commodity prices to publicly disclosed projected commodity prices. To assess the Company's ability to accurately estimate future production quantities, we compared the future production quantity assumptions used by the Company in prior periods to the actual production amounts. We compared the estimated future production quantities used by the Company in the current period to historical production rates. We evaluated the estimated future operating and capital cost assumptions by comparing them to historical costs. We evaluated the professional qualifications and the knowledge, skills, and ability of the Company's internal reserve engineers, including their ability to estimate applicable reserve category risk adjustment factors. In addition, we involved valuation professionals with specialized skills and knowledge, who assisted in evaluating the (1) discount rate by comparing it to a discount rate range that was independently developed using publicly available market data for comparable entities and (2) reserve category risk adjustment factors by comparing them to third party publications of risk adjustment factors utilized by market participants.

Evaluation of the fair value measurement of certain unproved oil and gas properties

As discussed in Notes 1 and 17 to the consolidated financial statements, the Company performs impairment tests with respect to its unproved oil and gas properties whenever events or circumstances indicate that the carrying value of property may not be recoverable. Occidental periodically reviews unproved properties for impairments; numerous factors are considered, including but not limited to, current exploration and development plans, favorable or unfavorable exploration activity, geologists' evaluation of the property, the current and projected political and regulatory climate, and the remaining

lease term for the property. The Company measured the fair value of certain domestic onshore unproved property based on a market approach using an implied acreage valuation derived from domestic onshore market participants excluding the fair value assigned to proved properties, which was based on an income approach. Impairment charges of \$4.6 billion were recorded for the year ended December 31, 2020.

We identified the evaluation of the fair value of certain domestic onshore unproved oil and gas properties as a critical audit matter. A high degree of subjectivity was involved in evaluating the results of the market-based enterprise values, the control premium, and the discounted cash flow models used in the income approach. The evaluation of the market-based enterprise values and control premium included determining which market participants had acreage positions most comparable to the Company's acreage position of certain domestic onshore oil and gas properties. In addition, the income approach utilized risk adjusted discounted cash flow models, which included several significant assumptions. The key assumptions used in the risk adjusted discounted cash flow models include (1) estimated future commodities prices, (2) estimated future production quantities, (3) estimated future operating and capital costs, (4) discount rate, and (5) reserve category risk adjustment factors.

The following are the primary procedures we performed to address this critical audit matter. We evaluated the design and tested the operating effectiveness of certain internal controls over the Company's unproved oil and gas impairment process, including controls related to the key assumptions, identification of comparable acreage positions and selection of the control premium. We evaluated the selection of market participants having acreage positions most comparable to the Company by comparing the domestic onshore acreage held by the market participants to the oil and gas properties under evaluation. We compared benchmark commodity prices used by the Company in estimating future commodity prices to publicly disclosed projected commodity prices. To assess the Company's ability to accurately estimate future production quantities, we compared the future production quantity assumptions used by the Company in prior periods to the actual production amounts. We compared estimated future production quantities used by the Company in the current period to historical production rates. We evaluated the estimated future operating and capital cost assumptions by comparing them to historical costs. We evaluated the professional qualifications and the knowledge, skills, and ability of the Company's internal reserve engineers, including their ability to estimate applicable reserve category risk adjustment factors. In addition, we involved valuation professionals with specialized skills and knowledge, who assisted in evaluating the Company's:

- market-based enterprise value by comparing the Company's estimated value for certain domestic onshore unproved oil and gas properties to a range of indicated values based on comparable companies using publicly available market data
- control premium by comparing it to a control premium range that was independently developed using publicly available market data for comparable companies
- discount rate by comparing it to a discount rate range that was independently developed using publicly available market data for comparable entities
- reserve category risk adjustment factors by comparing them to third party publications of risk adjustment factors utilized by market participants

/s/ KPMG LLP

We have served as the Company's auditor since 2002.

Houston, Texas
February 26, 2021

Report of Independent Registered Public Accounting Firm

To the Stockholders and Board of Directors
Occidental Petroleum Corporation:

Opinion on Internal Control Over Financial Reporting

We have audited Occidental Petroleum Corporation and subsidiaries' (the Company) internal control over financial reporting as of December 31, 2020, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2020, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of December 31, 2020 and 2019, the related consolidated statements of operations, comprehensive income (loss), stockholders' equity, and cash flows for each of the years in the three-year period ended December 31, 2020, and the related notes and financial statement schedule II – valuation and qualifying accounts (collectively, the consolidated financial statements), and our report dated February 26, 2021 expressed an unqualified opinion on those consolidated financial statements.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Annual Assessment of and Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed 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. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ KPMG LLP

Houston, Texas
February 26, 2021

Consolidated Balance Sheets

Occidental Petroleum Corporation
and Subsidiaries

<i>millions</i>	December 31,	
	2020	2019
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 2,008	\$ 3,032
Restricted cash and restricted cash equivalents	170	485
Trade receivables, net of reserves of \$24 in 2020 and \$19 in 2019	2,115	4,233
Inventories	1,898	1,581
Assets held for sale	1,433	3,870
Other current assets	1,195	1,432
Total current assets	8,819	14,633
INVESTMENTS IN UNCONSOLIDATED ENTITIES	3,250	6,389
PROPERTY, PLANT AND EQUIPMENT		
Oil and gas	102,454	107,801
Chemical	7,356	7,172
Midstream and marketing	8,232	8,176
Corporate	922	1,118
	118,964	124,267
Accumulated depreciation, depletion and amortization	(53,075)	(42,037)
Total property, plant and equipment, net	65,889	82,230
OPERATING LEASE ASSETS	1,062	1,411
LONG-TERM RECEIVABLES AND OTHER ASSETS, NET	1,044	2,527
TOTAL ASSETS	\$ 80,064	\$ 107,190

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

Consolidated Balance Sheets

Occidental Petroleum Corporation
and Subsidiaries

	December 31,	
<i>millions except share and per-share amounts</i>	2020	2019
LIABILITIES AND EQUITY		
CURRENT LIABILITIES		
Current maturities of long-term debt	\$ 440	\$ 51
Current operating lease liabilities	473	579
Accounts payable	2,987	4,910
Accrued liabilities	3,570	5,447
Liabilities of assets held for sale	753	1,718
Total current liabilities	8,223	12,705
LONG-TERM DEBT, NET		
Long-term debt, net	35,745	38,537
DEFERRED CREDITS AND OTHER LIABILITIES		
Deferred income taxes, net	7,113	9,717
Asset retirement obligations	3,977	4,411
Pension and postretirement obligations	1,763	1,823
Environmental remediation liabilities	1,028	1,035
Operating lease liabilities	641	872
Other	3,001	3,858
Total deferred credits and other liabilities	17,523	21,716
EQUITY		
Preferred stock, at \$1.00 per share par value (100,000 shares at December 31, 2020)	9,762	9,762
Common stock, \$0.20 per share par value, authorized shares: 1.5 billion, issued shares: 2020 — 1,080,564,947 and 2019 — 1,044,434,893	216	209
Treasury stock: 2020 — 149,051,634 shares and 2019 — 150,323,151 shares	(10,665)	(10,653)
Additional paid-in capital	16,552	14,955
Retained earnings	2,996	20,180
Accumulated other comprehensive loss	(288)	(221)
Total stockholders' equity	18,573	34,232
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 80,064	\$ 107,190

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

Consolidated Statements of Operations

Occidental Petroleum Corporation
and Subsidiaries

<i>millions except per-share amounts</i>	Years Ended December 31,		
	2020	2019	2018
REVENUES AND OTHER INCOME			
Net sales	\$ 17,809	\$ 20,911	\$ 17,824
Interest, dividends and other income	118	217	136
Gains (losses) on sale of assets, net	(1,666)	622	974
Total	16,261	21,750	18,934
COSTS AND OTHER DEDUCTIONS			
Oil and gas operating expense	3,065	3,282	2,761
Transportation and gathering expense	1,600	635	152
Chemical and midstream cost of sales	2,408	2,791	2,833
Purchased commodities	1,395	1,679	822
Selling, general and administrative	864	893	585
Other operating and non-operating expense	884	1,421	1,028
Depreciation, depletion and amortization	8,097	6,140	3,977
Asset impairments and other charges	11,083	1,361	561
Taxes other than on income	622	840	439
Anadarko Acquisition-related costs	339	1,647	—
Exploration expense	132	247	110
Interest and debt expense, net	1,424	1,066	389
Total	31,913	22,002	13,657
Income (loss) before income taxes and other items	(15,652)	(252)	5,277
OTHER ITEMS			
Gains (losses) on interest rate swaps and warrants, net	(423)	233	—
Income from equity investments	370	373	331
Total	(53)	606	331
Income (loss) from continuing operations before income taxes	(15,705)	354	5,608
Income tax benefit (expense)	2,172	(861)	(1,477)
Income (loss) from continuing operations	(13,533)	(507)	4,131
Loss from discontinued operations, net of tax	(1,298)	(15)	—
NET (LOSS) INCOME	(14,831)	(522)	4,131
Less: Net loss attributable to noncontrolling interest	—	(145)	—
Less: Preferred stock dividends	(844)	(318)	—
NET (LOSS) INCOME ATTRIBUTABLE TO COMMON STOCKHOLDERS	\$ (15,675)	\$ (985)	\$ 4,131
PER COMMON SHARE			
Income (loss) from continuing operations—basic	\$ (15.65)	\$ (1.20)	\$ 5.40
Loss from discontinued operations—basic	(1.41)	(0.02)	—
Net income (loss) attributable to common stockholders—basic	\$ (17.06)	\$ (1.22)	\$ 5.40
Income (loss) from continuing operations—diluted	\$ (15.65)	\$ (1.20)	\$ 5.39
Loss from discontinued operations—diluted	(1.41)	(0.02)	—
Net income (loss) attributable to common stockholders—diluted	\$ (17.06)	\$ (1.22)	\$ 5.39

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

Consolidated Statements of Comprehensive Income (Loss)

Occidental Petroleum Corporation
and Subsidiaries

<i>millions</i>	Years Ended December 31,		
	2020	2019	2018
Net income (loss)	\$ (14,831)	\$ (522)	\$ 4,131
Other comprehensive income (loss) items:			
Losses on derivatives ^(a)	(2)	(129)	(6)
Pension and postretirement gains (losses) ^(b)	(71)	78	137
Reclassification of realized losses on derivatives ^(c)	6	2	13
Other comprehensive income (loss), net of tax	(67)	(49)	144
Comprehensive income (loss)	(14,898)	(571)	4,275
Less: Comprehensive income attributable to noncontrolling interests	—	(145)	—
Comprehensive income (loss) attributable to preferred and common stockholders	\$ (14,898)	\$ (716)	\$ 4,275

^(a) Net of tax of \$1, \$36 and \$2 in 2020, 2019 and 2018, respectively.

^(b) Net of tax of \$24, \$(25) and \$(38) in 2020, 2019 and 2018, respectively. See [Note 15 - Retirement and Postretirement Benefit Plans](#) in the Notes to Consolidated Financial Statements in Part II Item 8 of this Form 10-K for additional information.

^(c) Net of tax of \$(2), \$0 and \$(4) in 2020, 2019 and 2018, respectively.

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

Consolidated Statements of Stockholders' Equity

Occidental Petroleum Corporation
and Subsidiaries

	Equity Attributable to Common Stock						Accumulated Other Comprehensive Income (Loss)	Non- controlling Interests	Total Equity
	Preferred Stock	Common Stock	Treasury Stock	Additional Paid-in Capital	Retained Earnings				
Balance, December 31, 2017	\$ —	\$ 179	\$ (9,168)	\$ 7,884	\$ 21,935	\$ (258)	\$ —	\$ 20,572	
Net income	—	—	—	—	4,131	—	—	4,131	
Other comprehensive income, net of tax	—	—	—	—	—	144	—	144	
Dividends on common stock, \$3.10 per share	—	—	—	—	(2,374)	—	—	(2,374)	
Issuance of common stock and other, net	—	—	—	162	—	—	—	162	
Purchases of treasury stock	—	—	(1,305)	—	—	—	—	(1,305)	
Reclassification of stranded tax effects	—	—	—	—	58	(58)	—	—	
Balance, December 31, 2018	\$ —	\$ 179	\$ (10,473)	\$ 8,046	\$ 23,750	\$ (172)	\$ —	\$ 21,330	
Net income (loss)	—	—	—	—	(667)	—	145	(522)	
Other comprehensive loss, net of tax	—	—	—	—	—	(49)	—	(49)	
Dividends on common stock, \$3.14 per share	—	—	—	—	(2,585)	—	—	(2,585)	
Dividends on preferred stock, \$3,489 per share	—	—	—	—	(318)	—	—	(318)	
Issuance of common stock, net	—	30	—	6,909	—	—	—	6,939	
Issuance of preferred stock	9,762	—	—	—	—	—	—	9,762	
Purchases of treasury stock	—	—	(180)	—	—	—	—	(180)	
Fair value of noncontrolling interest acquired	—	—	—	—	—	—	4,895	4,895	
Noncontrolling interest distributions, net	—	—	—	—	—	—	(131)	(131)	
Change in control WES	—	—	—	—	—	—	(4,909)	(4,909)	
Balance, December 31, 2019	\$ 9,762	\$ 209	\$ (10,653)	\$ 14,955	\$ 20,180	\$ (221)	\$ —	\$ 34,232	
Net loss	—	—	—	—	(14,831)	—	—	(14,831)	
Other comprehensive loss, net of tax	—	—	—	—	—	(67)	—	(67)	
Dividends on common stock, \$0.82 per share	—	—	—	—	(746)	—	—	(746)	
Dividends on preferred stock, \$8,444 per share	—	6	—	438	(844)	—	—	(400)	
Issuance of warrants on common stock	—	—	—	767	(763)	—	—	4	
Berkshire Warrants	—	—	—	103	—	—	—	103	
Issuance of common stock and other, net	—	1	—	289	—	—	—	290	
Purchases of treasury stock	—	—	(12)	—	—	—	—	(12)	
Balance, December 31, 2020	\$ 9,762	\$ 216	\$ (10,665)	\$ 16,552	\$ 2,996	\$ (288)	\$ —	\$ 18,573	

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

Consolidated Statements of Cash Flows

Occidental Petroleum Corporation
and Subsidiaries

<i>millions</i>	Years Ended December 31,		
	2020	2019	2018
CASH FLOW FROM OPERATING ACTIVITIES			
Net income (loss)	\$ (14,831)	\$ (522)	\$ 4,131
Adjustments to reconcile net income (loss) to net cash from operating activities:			
Discontinued operations, net	1,298	15	—
Depreciation, depletion and amortization of assets	8,097	6,140	3,977
Deferred income tax (benefit) provision	(2,517)	(1,027)	371
Other noncash charges to income	419	958	34
Asset impairments and other charges	11,002	1,328	561
(Gain) loss on sales of equity investments and other assets, net	1,666	(622)	(974)
Undistributed earnings from affiliates	(61)	(50)	(43)
Dry hole expense	47	89	56
Changes in operating assets and liabilities:			
Decrease in receivables	2,062	401	955
(Increase) decrease in inventories	(484)	78	(108)
Decrease in other current assets	350	170	94
Increase (decrease) in accounts payable and accrued liabilities	(3,228)	358	(1,500)
Increase in current domestic and foreign income taxes	22	20	38
Other operating, net	—	—	77
Operating cash flow from continuing operations	3,842	7,336	7,669
Operating cash flow from discontinued operations, net of taxes	113	39	—
Net cash provided by operating activities	3,955	7,375	7,669
CASH FLOW FROM INVESTING ACTIVITIES			
Capital expenditures	(2,535)	(6,367)	(4,975)
Change in capital accrual	(519)	(249)	55
Purchase of businesses and assets, net	(114)	(28,088)	(928)
Proceeds from sale of assets and equity investments, net	2,281	6,143	2,824
Equity investments and other, net	109	(291)	(182)
Investing cash flow from continuing operations	(778)	(28,852)	(3,206)
Investing cash flow from discontinued operations	(41)	(175)	—
Net cash used by investing activities	(819)	(29,027)	(3,206)
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from long-term debt, net - Occidental	6,936	21,557	978
Payments of long-term debt, net - Occidental	(8,916)	(6,959)	(500)
Proceeds from long-term debt, net - WES	—	459	—
Proceeds from issuance of common and preferred stock	134	10,028	33
Purchases of treasury stock	(12)	(237)	(1,248)
Cash dividends paid on common and preferred stock	(1,845)	(2,624)	(2,374)
Distributions to noncontrolling interest	—	(257)	—
Payment of liabilities associated with the sale of future royalties	(386)	(28)	—
Other financing, net	(419)	257	9
Financing cash flow from continuing operations	(4,508)	22,196	(3,102)
Financing cash flow from discontinued operations	(8)	(3)	—
Net cash provided (used) by financing activities	(4,516)	22,193	(3,102)
Increase (decrease) in cash, cash equivalents, restricted cash and restricted cash equivalents	(1,380)	541	1,361
Cash, cash equivalents, restricted cash and restricted cash equivalents — beginning of year	3,574	3,033	1,672
Cash, cash equivalents, restricted cash and restricted cash equivalents — end of year	\$ 2,194	\$ 3,574	\$ 3,033

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NATURE OF OPERATIONS

In this report, "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 conducts its operations through various subsidiaries and affiliates. On August 8, 2019, pursuant to the Agreement and Plan of Merger dated as of May 9, 2019 (the Merger Agreement), among Occidental, Baseball Merger Sub 1, Inc., a Delaware corporation and an indirect, wholly owned subsidiary of Occidental (Merger Subsidiary), and Anadarko Petroleum Corporation (Anadarko), Occidental acquired all of the outstanding shares of Anadarko through a transaction in which Merger Subsidiary merged with and into Anadarko (the Acquisition), with Anadarko continuing as the surviving entity and as an indirect, wholly owned subsidiary of Occidental. See [Note 3 - The Acquisition](#) for further information.

Occidental's principal businesses consist of three reporting segments: oil and gas, chemical and midstream and marketing. The oil and gas segment explores for, develops and produces oil and condensate, natural gas liquids (NGL) and natural gas. The chemical segment (OxyChem) mainly manufactures and markets basic chemicals and vinyls. The midstream and marketing segment purchases, markets, gathers, processes, transports and stores oil, condensate, NGL, natural gas, CO₂ and power. It also trades around its assets, including transportation and storage capacity, and invests in entities that conduct similar activities such as Western Midstream Partners, L.P. (WES). The midstream and marketing segment also includes Oxy Low Carbon Ventures (OLCV). OLCV seeks to leverage Occidental's carbon management expertise that is derived from its enhanced oil recovery (EOR) operations to develop carbon capture, utilization and storage facilities that are expected to source anthropogenic CO₂ and promote innovative technologies that drive cost efficiencies and economically grow Occidental's business while reducing emissions.

PRINCIPLES OF CONSOLIDATION

The consolidated financial statements have been prepared in conformity with United States Generally Accepted Accounting Principles (GAAP) and include the accounts of OPC, its subsidiaries, its undivided interests in oil and gas exploration and production ventures and, previously, variable interest entities (VIE) for which Occidental was the primary beneficiary. Occidental accounts for its share of oil and gas exploration and production ventures, in which it has a direct working interest, by reporting its proportionate share of assets, liabilities, revenues, costs and cash flows within the relevant lines on the balance sheets, statements of operations and statements of cash flows.

The Acquisition introduced different revenue and expense streams to Occidental's legacy operations. As a result, changes were made to the structure of certain financial statements, notes and supplementary data to provide clarity. In addition, certain prior period amounts have been reclassified to conform to the current presentation.

WES INVESTMENT

WES is a publicly traded limited partnership with its common units traded on the New York Stock Exchange (NYSE) under the ticker symbol "WES." WES owns the entire non-economic general partner interest and a 98% limited partner interest in Western Midstream Operating, LP (WES Operating), a Delaware limited partnership formed by Anadarko in 2007 to acquire, own, develop and operate midstream assets.

From the Acquisition date through December 31, 2019, WES was determined to be a VIE, and Occidental, through its ownership of the general partner interest in WES, had the power to direct the activities that significantly affected the economic performance of WES and the obligation to absorb losses or the right to receive benefits that could be significant to WES. As such, Occidental was considered the primary beneficiary and consolidated WES and its consolidated subsidiaries from the date of the Acquisition to December 31, 2019. All intercompany transactions were eliminated during the consolidated period. Revenues of \$1.1 billion, cost of sales of \$500 million and operating cash flows of \$498 million from the date of the Acquisition to December 31, 2019 are attributable to WES and are included in Occidental's consolidated financial statements. Net income from noncontrolling interest for the same period relates to the 44.6% limited partner interest of WES owned by the public.

On December 31, 2019, Occidental and WES executed several agreements to allow WES to operate as an independent midstream company to support its ongoing pursuit of third-party growth opportunities. The executed agreements include amendments to the partnership agreement that significantly expand the unaffiliated limited partner unitholders' rights. The significant amendments to the partnership agreement included:

- Providing for a simple majority of the unaffiliated unitholders to remove and elect a new general partner;
- Allowing for 20% of the unaffiliated unitholders to call a special meeting to vote to remove the general partner;
- Eliminating ownership thresholds that could have prevented unaffiliated unitholders from voting;
- Limiting Occidental's voting percentage to 45% for certain unitholder matters until Occidental owns less than 40% of the limited partner units for twelve consecutive months; and
- Transferring 2% of Occidental's limited partner interest to the general partner to provide a 2% economic interest to the general partner.

In addition to the partnership agreement amendments, in December 2019, the WES management team's employment was transferred from Occidental to WES, and WES-dedicated personnel were seconded to WES from Occidental. The seconded employees' employment was contractually obligated to be transferred to WES during 2020 once employee benefit plans were established. As of December 31, 2020, there were no seconded employees remaining for WES. Additionally, as of December 31, 2019, Occidental employees no longer comprise a majority of the board of directors of WES' general partner.

As a result of the 2019 partnership agreement amendments and other related agreements, WES no longer met the criteria to be considered a VIE. Accordingly, Occidental evaluated WES under the voting interest model and determined, because Occidental did not control the power to appoint or remove a successor general partner, it should no longer consolidate WES. Occidental recognized, at fair value, an equity method investment of \$5.1 billion based on the closing market price of WES as of December 31, 2019 and recognized a loss of approximately \$1 billion that was included in asset impairments and other charges on the Statement of Operations for the year ended December 31, 2019.

In the first quarter 2020, Occidental recorded a loss from an equity investment of \$236 million primarily as a result of WES' write-off of its goodwill. At the end of the third quarter 2020, Occidental recorded an other-than-temporary impairment of \$2.7 billion, see [Note 17 - Fair Value Measurements](#) for a description of the inputs and assumptions utilized.

In addition, Occidental recorded a loss of \$46 million as a result of a non-cash transaction with WES in which Occidental exchanged approximately 27.9 million of its WES common units to retire a \$260 million note payable to WES, see [Note 7 - Long-Term Debt](#).

As of December 31, 2020, Occidental's equity method investment in WES was \$1.9 billion, which exceeds Occidental's pro-rata interest in the net assets of WES by \$437 million. This basis difference is primarily associated with WES' property, plant and equipment and equity investments and is subject to amortization over their estimated average lives. Subsequent to the other-than-temporary impairment there was no equity method goodwill associated with the WES equity investment. As of December 31, 2020, Occidental has a 2% non-voting general partner interest and a 51.8% limited partner interest in WES and a 2% non-voting limited partner interest in WES Operating, a subsidiary of WES. On a combined basis, Occidental's total effective economic interest in WES and its subsidiaries is 53.5%. Occidental intends to reduce its limited partner ownership interest in WES to below 50%.

INVESTMENTS IN UNCONSOLIDATED ENTITIES

Occidental's percentage interest in the underlying net assets of affiliates for which it exercises significant influence without having a controlling interest (excluding oil and gas ventures in which Occidental holds an undivided interest) are accounted for under the equity method. Occidental reviews equity-method investments for impairment whenever events or changes in circumstances indicate that an other-than-temporary decline in value may have occurred. The amount of impairment, if any, is based on quoted market prices, when available, or other valuation techniques, including discounted cash flows. See [Note 16 - Investments and Related-Party Transactions](#) for further discussion regarding investments in unconsolidated entities.

DISCONTINUED OPERATIONS

In connection with the Acquisition, Occidental entered into a purchase and sale agreement with TOTAL S.A. (Total) to sell all of the assets, liabilities, businesses and operations of Anadarko's operations in Algeria, Ghana, Mozambique and South Africa. Total and Occidental completed the sale of the Mozambique assets in September 2019 for approximately \$4.2 billion and the South Africa assets in January 2020 for approximately \$100 million.

In April 2020, subsequent to communications with Algerian government officials, Occidental determined that the sale of the Algeria operations to Total would not be consummated and the decision was made to continue to operate within Algeria. As a result, as of the second quarter of 2020, Occidental no longer classified the Algeria operations as a held for sale asset in discontinued operations and reclassified prior periods to reflect the Algeria operations as continuing operations, see [Note 4 - Divestitures and Other Transactions](#) for the impact on prior periods. In addition, in the second quarter 2020, Occidental recorded a \$931 million impairment to remeasure the Algeria oil and gas properties to their fair value, which was lower than the carrying amount as if DD&A were recorded from the date of the Acquisition. The fair value of the oil and gas properties

was measured based on the income approach, see [Note 17 - Fair Value Measurements](#) for a description of inputs and assumptions utilized.

In May 2020, Occidental and Total mutually agreed to execute a waiver of the obligation to purchase and sell the Ghana assets, so that Occidental could begin marketing the sale of the Ghana assets to other third parties. Occidental is currently marketing the Ghana assets. The assets and liabilities for Ghana remain presented as held for sale at December 31, 2020. Occidental recorded an after-tax impairment of \$1.4 billion in the second quarter 2020 to reflect the held for sale assets at their fair value less costs to sell based on the income approach, refer to [Note 17 - Fair Value Measurements](#). The results of operations of Ghana continue to be presented as discontinued operations, see [Note 4 - Divestitures and Other Transactions](#).

Unless otherwise indicated, information presented in the Notes to the Consolidated Financial Statements relates only to Occidental's continuing operations. Information related to discontinued operations is included in [Note 4 - Divestitures and Other Transactions](#) and in some instances, where appropriate, is included as a separate disclosure within the individual Notes to the Consolidated Financial Statements.

RISKS AND UNCERTAINTIES

The process of preparing consolidated financial statements in conformity with GAAP requires Occidental's management to make informed estimates and judgments regarding certain types of financial statement balances and disclosures. Such estimates primarily relate to unsettled transactions and events as of the date of the consolidated financial statements and judgments on expected outcomes as well as the materiality of transactions and balances. Changes in facts and circumstances or discovery of new information relating to such transactions and events may result in revised estimates and judgments and actual results may differ from estimates upon settlement. Management believes that these estimates and judgments provide a reasonable basis for the fair presentation of Occidental's financial statements. Occidental establishes a valuation allowance against net operating losses and other deferred tax assets to the extent it believes the future benefit from these assets will not be realized in the statutory carryforward periods. Realization of deferred tax assets is dependent upon Occidental generating sufficient future taxable income and reversal of temporary differences in jurisdictions where such assets originate.

The accompanying consolidated financial statements include assets of approximately \$9.5 billion as of December 31, 2020 and net sales of approximately \$3.4 billion for the year ended December 31, 2020, relating to Occidental's operations in countries outside North America. Occidental operates some of its oil and gas business in countries that have experienced political instability, nationalizations, corruption, armed conflict, terrorism, insurgency, civil unrest, security problems, labor unrest, OPEC production restrictions, equipment import restrictions and sanctions, all of which increase Occidental's risk of loss, delayed or restricted production or may result in other adverse consequences. Occidental attempts to conduct its affairs so as to mitigate its exposure to such risks and would seek compensation in the event of nationalization.

Because Occidental's major products are commodities, significant changes in the prices of oil, NGL, natural gas and chemical products may have a significant impact on Occidental's results of operations. Also, see Property, Plant and Equipment section below.

RECEIVABLES AND OTHER CURRENT ASSETS

Trade receivables, net, of \$2.1 billion and \$4.2 billion at December 31, 2020, and 2019, respectively, represent rights to payment for which Occidental has satisfied its obligations under a contract with a customer and its right to payment is conditioned only on the passage of time.

Other current assets includes amounts receivable from working interest partners in Occidental's oil and gas operations, derivative assets and taxes receivable.

INVENTORIES

Materials and supplies are valued at weighted-average cost and are reviewed periodically for obsolescence. Oil, NGL and natural gas inventories are valued at the lower of cost or market.

For the chemical segment, Occidental's finished goods inventories are valued at the lower of cost or market. For most of its domestic inventories, other than materials and supplies, the chemical segment uses the last-in, first-out (LIFO) method as it better matches current costs and current revenue. For other countries, Occidental uses the first-in, first-out method (if the costs of goods are specifically identifiable) or the average-cost method (if the costs of goods are not specifically identifiable).

PROPERTY, PLANT AND EQUIPMENT

OIL AND GAS

The carrying value of Occidental's property, plant and equipment (PP&E) represents the cost incurred to acquire or develop the asset, including any asset retirement obligations and capitalized interest, net of accumulated DD&A and any impairment charges. For assets acquired, PP&E cost is based on fair values at the acquisition date. Asset retirement obligations and interest costs incurred in connection with qualifying capital expenditures are capitalized and amortized over the lives of the related assets.

Occidental uses the successful efforts method to account for its oil and gas properties. Under this method, Occidental capitalizes costs of acquiring properties, costs of drilling successful exploration wells and development costs. The costs of

exploratory wells are initially capitalized pending a determination of whether proved reserves have been found. If proved reserves have been found, the costs of exploratory wells remain capitalized. For exploratory wells that find reserves that cannot be classified as proved when drilling is completed, costs continue to be capitalized as suspended exploratory drilling costs if there have been sufficient reserves found to justify completion as a producing well and sufficient progress is being made in assessing the reserves and the economic and operating viability of the project. At the end of each quarter, management reviews the status of all suspended exploratory drilling costs in light of ongoing exploration activities, in particular, whether Occidental is making sufficient progress in its ongoing exploration and appraisal efforts or, in the case of discoveries requiring government sanctioning, analyzing whether development negotiations are underway and proceeding as planned. If management determines that future appraisal drilling or development activities are unlikely to occur, associated suspended exploratory well costs are expensed.

The following table summarizes the activity of capitalized exploratory well costs for continuing operations for the years ended December 31:

<i>millions</i>	2020	2019	2018
Balance — beginning of year	\$ 424	\$ 112	\$ 108
Exploratory well costs acquired through the Acquisition	—	231	—
Additions to capitalized exploratory well costs pending the determination of proved reserves	122	383	220
Reclassifications to property, plant and equipment based on the determination of proved reserves	(309)	(230)	(198)
Capitalized exploratory well costs charged to expense	(26)	(72)	(18)
Balance — end of year	\$ 211	\$ 424	\$ 112

Occidental expenses annual lease rentals, the costs of injectants used in production and geological and geophysical costs as incurred.

Occidental determines depreciation and depletion of oil and gas producing properties by the unit-of-production method. It amortizes leasehold costs over total proved reserves and capitalized development and successful exploration costs over proved developed reserves.

Proved oil and gas reserves are those quantities of oil and gas which, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be economically producible from a given date forward, from known reservoirs and under existing economic conditions, operating methods and government regulations prior to the time at which contracts providing the right to operate expire, unless evidence indicates that renewal is reasonably certain, regardless of whether deterministic or probabilistic methods are used for the estimation. Proved reserves includes proved undeveloped reserves. Proved undeveloped reserves are supported by a management approved, detailed, field-level development plan where sufficient capital has been committed to develop those reserves. A majority of the proved undeveloped reserves are supported by a five-year, development plan while certain international proved undeveloped reserves are associated with approved long-term development plans.

Occidental performs impairment tests with respect to its proved properties whenever events or circumstances indicate that the carrying value of property may not be recoverable. If there is an indication the carrying amount of the asset may not be recovered due to prolonged declines in current and forward prices, significant changes in reserve estimates, changes in management's plans, or other significant events, management will evaluate the property for impairment. Under the successful efforts method, if the sum of the undiscounted cash flows is less than the carrying value of the proved property, the carrying value is reduced to estimated fair value and reported as an impairment charge in the period. Individual proved properties are grouped for impairment purposes at the lowest level for which there are identifiable cash flows. The fair value of impaired assets is typically determined based on the present value of expected future cash flows using discount rates believed to be consistent with those used by market participants. The impairment test incorporates a number of assumptions involving expectations of future cash flows which can change significantly over time. These assumptions include future production and timing of production, estimates of future product prices, contractual prices, estimates of risk-adjusted oil and gas reserves and estimates of future operating and development costs. See [Note 17 - Fair Value Measurements](#) and below for further discussion of asset impairments.

Net capitalized costs attributable to unproved properties were \$18.6 billion at December 31, 2020 and \$29.5 billion at December 31, 2019. The unproved amounts are not subject to DD&A until they are classified as proved properties. Individually insignificant unproved properties are combined and amortized on a group basis based on factors such as lease terms, success rates and other factors to provide for full amortization upon lease expiration or abandonment.

Significant unproved properties, primarily as a result of the Acquisition, are assessed individually for impairment and when events or circumstances indicate that the carrying value of property may not be recovered a valuation allowance is provided if an impairment is indicated. Occidental periodically reviews significant unproved properties for impairments; numerous factors are considered, including but not limited to, availability of funds for future exploration and development activities, current exploration and development plans, favorable or unfavorable exploration activity on the property or the adjacent property, geologists' evaluation of the property, the current and projected political and regulatory climate,

contractual conditions and the remaining lease term for the properties. If an impairment is indicated, Occidental will first determine whether a comparable transaction for similar properties or implied acreage valuation derived from domestic onshore market participants is available and will adjust the carrying amount of the unproved property to its fair value using the market approach. In situations where the market approach is not observable and unproved reserves are available, undiscounted future net cash flows used in the impairment analysis are determined based on managements' risk adjusted estimates of unproved reserves, future commodity prices and future costs to produce the reserves. If undiscounted future net cash flows are less than the carrying value of the property, the future net cash flows are discounted and compared to the carrying value for determining the amount of the impairment loss to record. Occidental utilizes the same assumptions and methodology discussed above for cash flows associated with proved properties.

CHEMICAL

Occidental's chemical assets are depreciated using either the unit-of-production or the straight-line method, based upon the estimated useful lives of the facilities. The estimated useful lives of Occidental's chemical assets, which range from three years to 50 years, are also used for impairment tests. The estimated useful lives for the chemical facilities are based on the assumption that Occidental will provide an appropriate level of annual expenditures to ensure productive capacity is sustained. Such expenditures consist of ongoing routine repairs and maintenance, as well as planned major maintenance activities (PMMA). Ongoing routine repairs and maintenance expenditures are expensed as incurred. PMMA costs are capitalized and amortized over the period until the next planned overhaul. Additionally, Occidental incurs capital expenditures that extend the remaining useful lives of existing assets, increase their capacity or operating efficiency beyond the original specification or add value through modification for a different use. These capital expenditures are not considered in the initial determination of the useful lives of these assets at the time they are placed into service. The resulting revision, if any, of the asset's estimated useful life is measured and accounted for prospectively.

Without these continued expenditures, the useful lives of these assets could decrease significantly. Other factors that could change the estimated useful lives of Occidental's chemical assets include sustained higher or lower product prices, which are affected by domestic and international competition, demand, feedstock costs, energy prices, environmental regulations and technological changes.

Occidental performs impairment tests on its chemical assets whenever events or changes in circumstances lead to a reduction in the estimated useful lives or estimated future cash flows that would indicate that the carrying amount may not be recoverable, or when management's plans change with respect to those assets. Any impairment loss would be calculated as the excess of the asset's net book value over its estimated fair value.

MIDSTREAM AND MARKETING

Occidental's midstream and marketing PP&E is depreciated over the estimated useful lives of the assets, using either the unit-of-production or straight-line method.

Occidental performs impairment tests on its midstream and marketing assets whenever events or changes in circumstances lead to a reduction in the estimated useful lives or estimated future cash flows that would indicate that the carrying amount may not be recoverable, or when management's plans change with respect to those assets. Any impairment loss would be calculated as the excess of the asset's net book value over its estimated fair value.

GOODWILL

As of December 31, 2019, Occidental had \$1.2 billion of goodwill related to its ownership in WES, which was included in long-term receivables and other assets, net. Significant declines in the market value of WES' publicly traded units resulted in management's determination that, more likely than not, the fair value of the reporting unit was significantly less than its carrying value and the entire \$1.2 billion in goodwill was fully impaired in the first quarter of 2020. The market value of WES' publicly traded units is considered a Level 1 input.

IMPAIRMENTS AND OTHER CHARGES

During 2020, Occidental's oil and gas segment recognized pre-tax impairment and related charges of \$7.0 billion relating to proved and unproved properties. An additional pre-tax impairment of \$2.2 billion related to Ghana is included in discontinued operations.

During 2019, Occidental's oil and gas segment recognized pre-tax impairment and related charges of \$285 million related to domestic undeveloped leases that were set to expire in the near-term, where Occidental had no plans to pursue exploration activities, and \$39 million related to Occidental's mutually agreed early termination of its Qatar Idd El Shargi South Dome (ISSD) contract.

In 2018, Occidental recognized pre-tax impairment and related charges of \$416 million related to Qatar Idd El Shargi North Dome (ISND) and ISSD proved properties and inventory. Also in 2018, the midstream and marketing segment incurred approximately \$100 million of charges primarily for lower of cost or market adjustments on its crude inventory and line fill.

It is reasonably possible that prolonged declines in commodity prices, reduced capital spending in response to lower prices or increases in operating costs could result in additional impairments.

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 reported at the end of each reporting period.

FAIR VALUES - RECURRING

Occidental primarily applies the market approach for recurring fair value measurements, maximizes its use of observable inputs and minimizes its use of unobservable inputs. Occidental utilizes the mid-point between bid and ask prices for valuing the majority of its assets and liabilities measured and reported at fair value. In addition to using market data, Occidental makes assumptions in valuing its assets and liabilities, including assumptions about the risks inherent in the inputs to the valuation technique. For assets and liabilities carried at fair value, Occidental measures fair value using the following methods:

- Occidental values exchange-cleared commodity derivatives using closing prices provided by the exchange as of the balance sheet date. These derivatives are classified as Level 1.
- OTC bilateral financial commodity contracts, foreign exchange contracts, interest rate swaps, warrants, options and physical commodity forward purchase and sale contracts are generally classified as Level 2 and are generally valued using quotations provided by brokers or industry-standard models that consider various inputs, including quoted forward prices for commodities, time value, volatility factors, credit risk and current market and contractual prices for the underlying instruments, as well as other relevant economic measures. Substantially all of these inputs are observable in the marketplace throughout the full term of the instrument, and can be derived from observable data or are supported by observable prices at which transactions are executed in the marketplace.
- Occidental values commodity derivatives based on a market approach that considers various assumptions, including quoted forward commodity prices and market yield curves. The assumptions used include inputs that are generally unobservable in the marketplace or are observable but have been adjusted based upon various assumptions and the fair value is designated as Level 3 within the valuation hierarchy.
- Occidental values debt using market-observable information for debt instruments that are traded on secondary markets. For debt instruments that are not traded, the fair value is determined by interpolating the value based on debt with similar terms and credit risk.

NON-FINANCIAL ASSETS

Occidental uses market-observable prices for assets when comparable transactions can be identified that are similar to the asset being valued. When Occidental is required to measure fair value and there is not a market-observable price for the asset or for a similar asset then the cost or income approach is used depending on the quality of information available to support management's assumptions. The cost approach is based on management's best estimate of the current asset replacement cost. The income approach is based on management's best assumptions regarding expectations of future net cash flows. The expected cash flows are discounted using a commensurate risk-adjusted discount rate. Such evaluations involve significant judgment, and the results are based on expected future events or conditions such as sales prices, estimates of future oil and gas production or throughput, development and operating costs and the timing thereof, economic and regulatory climates and other factors, most of which are often outside of management's control. However, assumptions used reflect a market participant's view of long-term prices, costs and other factors and are consistent with assumptions used in Occidental's business plans and investment decisions.

ACCRUED LIABILITIES - CURRENT

Accrued liabilities - current included accrued payroll, commissions and related expenses of \$461 million and \$1.2 billion at December 31, 2020, and 2019, respectively. Dividends payable, also included in accrued liabilities - current, were \$189 million and \$884 million at December 31, 2020, and 2019, respectively. Derivative financial instruments, also included in accrued liabilities - current, were \$1.1 billion and \$641 million at December 31, 2020, and 2019, respectively.

ENVIRONMENTAL LIABILITIES AND EXPENDITURES

Environmental expenditures that relate to current operations are expensed or capitalized as appropriate. Occidental records environmental liabilities and related charges and expenses for estimated remediation costs that relate to existing conditions from past operations when environmental remediation efforts are probable and the costs can be reasonably estimated. In determining the environmental remediation liability and the range of reasonably possible additional losses, Occidental refers to currently available information, including relevant past experience, remedial objectives, available technologies, applicable laws and regulations and cost-sharing arrangements. Occidental bases its environmental remediation liabilities on management's estimate of the most likely cost to be incurred, using the most cost-effective technology reasonably expected to achieve the remedial objective. Occidental periodically reviews its environmental remediation liabilities and adjusts them as new information becomes available. Occidental records environmental remediation liabilities on a discounted basis when it deems the aggregate amount and timing of cash payments to be reliably

determinable at the time the reserves are established. The reserve methodology with respect to discounting for a specific site is not modified once it is established. Presently none of its environmental remediation liabilities are recorded on a discounted basis. Occidental generally records reimbursements or recoveries of environmental remediation costs in income when received, or when receipt of recovery is highly probable.

Many factors could affect Occidental's future remediation costs and result in adjustments to its environmental remediation liabilities and the range of reasonably possible additional losses. The most significant are: (1) cost estimates for remedial activities may vary from the initial estimate; (2) the length of time, type or amount of remediation necessary to achieve the remedial objective may change due to factors such as site conditions, the ability to identify and control contaminant sources or the discovery of additional contamination; (3) a regulatory agency may ultimately reject or modify Occidental's proposed remedial plan; (4) improved or alternative remediation technologies may change remediation costs; (5) laws and regulations may change remediation requirements or affect cost sharing or allocation of liability; and (6) changes in allocation or cost-sharing arrangements may occur.

Certain sites involve multiple parties with various cost-sharing arrangements, which fall into the following three categories: (1) environmental proceedings that result in a negotiated or prescribed allocation of remediation costs among Occidental and other alleged potentially responsible parties; (2) oil and gas ventures in which each participant pays its proportionate share of remediation costs reflecting its working interest; or (3) contractual arrangements, typically relating to purchases and sales of properties, in which the parties to the transaction agree to methods of allocating remediation costs. In these circumstances, Occidental evaluates the financial viability of other parties with whom it is alleged to be jointly liable, the degree of their commitment to participate and the consequences to Occidental of their failure to participate when estimating Occidental's ultimate share of liability. Occidental records its environmental remediation liabilities at its expected net cost of remedial activities and, based on these factors, believes that it will not be required to assume a share of liability of such other potentially responsible parties in an amount materially above amounts reserved.

In addition to the costs of investigations and cleanup measures, which often take in excess of 10 years at CERCLA NPL sites, Occidental's environmental remediation liabilities include management's estimates of the costs to operate and maintain remedial systems. If remedial systems are modified over time in response to significant changes in site-specific data, laws, regulations, technologies or engineering estimates, Occidental reviews and adjusts its environmental remediation liabilities accordingly.

ASSET RETIREMENT OBLIGATIONS

Occidental recognizes the fair value of asset retirement obligations in the period in which a determination is made that a legal obligation exists to dismantle an asset and reclaim or remediate the property at the end of its useful life and the cost of the obligation can be reasonably estimated. The liability amounts are based on future retirement cost estimates and incorporate many assumptions such as time to abandonment, future inflation rates and the risk-adjusted discount rate. When the liability is initially recorded, Occidental capitalizes the cost by increasing the related PP&E balances. If the estimated future cost of the asset retirement obligations changes, Occidental records an adjustment to both the asset retirement obligations and PP&E. Over time, the liability is increased and expense is recognized for accretion, and the capitalized cost is depreciated over the useful life of the asset.

The majority of Occidental's asset retirement obligations relate to the plugging of wells and the related abandonment of oil and gas properties. Revisions in estimated liabilities during the period primarily relate to liabilities acquired in the Acquisition and include, but are not limited to, changes in estimates of asset retirement costs, revisions of estimated inflation rates, changes in property lives and the expected timing of settlements.

At a certain number of its facilities, Occidental has identified conditional asset retirement obligations that are related mainly to plant decommissioning. Occidental does not know or cannot estimate when it may settle these obligations. Therefore, Occidental cannot reasonably estimate the fair value of these liabilities. Occidental will recognize these conditional asset retirement obligations in the periods in which sufficient information becomes available to reasonably estimate their fair values.

The following table summarizes the activity of asset retirement obligations for the years ended December 31:

<i>millions</i>	2020		2019	
Beginning balance	\$	4,659	\$	1,499
Liabilities assumed in the Acquisition		—		3,370
Liabilities incurred – capitalized to PP&E		79		71
Liabilities settled and paid		(186)		(200)
Accretion expense		147		131
Acquisitions, divestitures and other, net		(294)		—
WES loss of control		—		(359)
Revisions to previous estimates		(275)		147
Ending balance ^(a)	\$	4,130	\$	4,659

^(a) The ending balance included \$153 million and \$248 million related to the current balance of AROs that are included in Accrued Liabilities on the Consolidated Balance Sheets at December 31, 2020, and 2019, respectively.

DERIVATIVE INSTRUMENTS

Derivatives are carried at fair value and on a net basis when a legal right of offset exists with the same counterparty. Occidental applies hedge accounting when transactions meet specified criteria for cash flow hedge treatment and management elects and documents such treatment. Otherwise, any fair value gains or losses are recognized in earnings in the current period. For cash flow hedges, the gain or loss on the effective portion of the derivative is reported as a component of other comprehensive income (OCI) with an offsetting adjustment to the carrying value of the item being hedged. Realized gains or losses from cash flow hedges, and any ineffective portion, are recorded as a component of net sales in the consolidated statements of operations. Ineffectiveness is primarily created by a lack of correlation between the hedged item and the hedging instrument due to location, quality, grade or changes in the expected quantity of the hedged item. Gains and losses from derivative instruments are reported net in the consolidated statements of operations. There were no fair value hedges as of and during the years ended December 31, 2020, 2019 and 2018.

STOCK-BASED INCENTIVE PLANS

Occidental has established several stockholder-approved stock-based incentive plans for certain employees and directors (Plans) that are more fully described in [Note 14 - Stock-Based Incentive Plans](#). A summary of Occidental's accounting policy for awards issued under the Plans is as follows.

For cash- and stock-settled restricted stock units (RSU) and cash return on capital employed incentive awards (CROCEI), compensation value is initially measured on the grant date using the quoted market price of Occidental's common stock and the estimated payout on the grant date. The fair value of stock options is estimated using a Black Scholes model. For total shareholder return incentive awards (TSRI), compensation value is initially measured on the grant date using the fair value derived from a Monte Carlo valuation model. Compensation expense for all awards is recognized on a straight-line basis over the requisite service periods, which is generally over the awards' respective vesting or performance periods. The stock-settled portion of these awards is expensed using the initially measured compensation value. The liability resulting from the cash settled portion of these awards and accrued dividends are remeasured at each reporting period. Dividends accrued on unvested awards are adjusted quarterly for any changes in the number of share equivalents expected to be paid based on the relevant performance and market criteria, if applicable.

EARNINGS PER SHARE (EPS)

Occidental's instruments containing rights to nonforfeitable dividends granted in stock-based awards are considered participating securities prior to vesting and, therefore, have been deducted from earnings in computing basic and diluted EPS under the two-class method.

Basic 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, 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.

RETIREMENT AND POSTRETIREMENT BENEFIT PLANS

Occidental recognizes the overfunded or underfunded amounts of its defined benefit pension and postretirement plans, which are more fully described in [Note 15 - Retirement and Postretirement Benefit Plans](#), in its financial statements using a December 31 measurement date.

Occidental's defined benefit pension and postretirement benefit plan obligations are actuarially determined based on various assumptions and discount rates. The discount rate assumptions used are meant to reflect the interest rate at which the obligations could effectively be settled on the measurement date. Occidental estimates the rate of return on assets with

regard to current market factors but within the context of historical returns. Occidental funds and expenses negotiated pension increases for domestic union employees over the terms of the applicable collective bargaining agreements.

Pension and any postretirement plan assets are measured at fair value. Common stock, preferred stock, publicly registered mutual funds, U.S. government securities and corporate bonds are valued using quoted market prices in active markets when available. When quoted market prices are not available, these investments are valued using pricing models with observable inputs from both active and non-active markets. Common and collective trusts are valued at the fund units' net asset value (NAV) provided by the issuer, which represents the quoted price in a non-active market. Short-term investment funds are valued at the fund units' NAV provided by the issuer.

SUPPLEMENTAL CASH FLOW INFORMATION

Occidental paid U.S. federal, state and foreign income taxes for continuing operations of approximately \$0.5 billion, \$1.9 billion and \$1.1 billion during the years ended December 31, 2020, 2019 and 2018, respectively. Occidental received refunds of \$223 million, \$80 million and \$82 million during the years ended December 31, 2020, 2019, and 2018, respectively. Occidental also paid production, property and other taxes of approximately \$755 million, \$724 million and \$508 million during the years ended December 31, 2020, 2019 and 2018, respectively, substantially all of which was in the United States. Interest paid totaled \$1.6 billion, \$912 million and \$383 million, net of capitalized interest of \$83 million, \$89 million and \$46 million, for the years 2020, 2019 and 2018, respectively.

CASH EQUIVALENTS AND RESTRICTED CASH EQUIVALENTS

Occidental considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents or restricted cash equivalents. The cash equivalents and restricted cash equivalents balance at December 31, 2020, included investments in government money market funds in which the carrying value approximates fair value.

The following table provides a reconciliation of cash, cash equivalents, restricted cash and restricted cash equivalents as reported at the end of the period in the Consolidated Statements of Cash Flows for the year ended December 31, 2020, and 2019 to the line items within the Consolidated Balance Sheet at December 31, 2020 and 2019.

<i>millions</i>	December 31, 2020	December 31, 2019
Cash and cash equivalents	\$ 2,008	\$ 3,032
Restricted cash and restricted cash equivalents	170	485
Cash and restricted cash included in assets held for sale	—	3
Restricted cash and restricted cash equivalents included in long-term receivables and other assets, net	16	54
Cash, cash equivalents, restricted cash and restricted cash equivalents	\$ 2,194	\$ 3,574

Total restricted cash and restricted cash equivalents are primarily associated with an international joint venture, a benefits trust for former Anadarko employees and a judicially-controlled account related to a Brazilian tax dispute. Total restricted cash at December 31, 2019 also included payments of future hard-minerals royalties conveyed, the related liability of which was settled in August 2020, see [Note 4 - Divestitures and Other Transactions](#).

FOREIGN CURRENCY TRANSACTIONS

The functional currency applicable to all of Occidental's international oil and gas operations is the U.S. dollar since cash flows are denominated principally in U.S. dollars. In Occidental's other operations, Occidental's use of non-United States dollar functional currencies was not material for all years presented. The effect of exchange rates on transactions in foreign currencies is included in periodic income. Occidental reports the exchange rate differences arising from translating foreign-currency-denominated balance sheet accounts to the United States dollar as of the reporting date in other comprehensive income. Exchange-rate gains and losses for continuing operations were not material for all years presented.

INCOME TAXES

Occidental files various U.S. federal, state and foreign income tax returns. The impact of changes in tax regulations are reflected when enacted. In general, deferred federal, state and foreign income taxes are provided on temporary differences between the financial statement carrying amounts of assets and liabilities and their respective tax basis. Occidental routinely assesses the realizability of its deferred tax assets. If Occidental concludes that it is more likely than not that some of the deferred tax assets will not be realized, the tax asset is reduced by a valuation allowance. Occidental recognizes a tax benefit from an uncertain tax position when it is more likely than not that the position will be sustained upon examination, based on the technical merits of the position. The tax benefit recorded is equal to the largest amount that is greater than 50% likely to be realized through final settlement with a taxing authority. Interest and penalties related to unrecognized tax benefits are recognized in income tax expense (benefit). Occidental uses the flow-through method to account for its investment tax credits. See [Note 12 - Income Taxes](#) for more information.

OTHER LOSS CONTINGENCIES

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 international 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 10 - Environmental Liabilities and Expenditures](#), Occidental has disclosed its reserve balances for environmental remediation matters that satisfy this criteria. See [Note 11 - Lawsuits, Claims, Commitments and Contingencies](#).

NOTE 2 - ACCOUNTING AND DISCLOSURE CHANGES

RECENTLY ADOPTED ACCOUNTING AND DISCLOSURE CHANGES

In January 2020, Occidental adopted Accounting Standards Update (ASU) 2016-13 Financial Instruments - Credit Losses (Topic 326). The new standard makes significant changes to the accounting for credit losses on financial assets and disclosures regarding credit losses. For trade receivables, loans and held-to-maturity debt securities, entities will be required to estimate lifetime expected credit losses. This will result in the earlier recognition of credit losses than the current incurred-loss model. The acceleration of the recognition of losses is more material for entities whose receivables and other held-to-maturity debt investments are (1) long dated and (2) with less credit worthy counterparties.

The majority of Occidental's receivables are short dated with maturities of less than 60 days with creditworthy counterparties, including refiners, pipelines and resellers. Occidental strives to maintain a strong credit portfolio and there have been no negative indications regarding the collectability of these receivables as of the date of this filing. The adoption of this standard has no material impact. Occidental will continue to assess the risk to its receivables in the future.

In January 2019, Occidental adopted the new lease standard ASC Topic 842 - Leases (ASC 842) using the modified retrospective approach, which did not require restatement of prior year amounts and disclosures. ASC 842 requires Occidental to recognize most leases, including operating leases, on the balance sheet. The new rules require lessees to recognize a right-of-use (ROU) asset and lease liability for all leases with lease terms of more than 12 months. Occidental adopted the standard including adopting the following practical expedients:

- Leases that commenced before the effective date carried forward their historical lease classification;
- Existing or expired land easements as of December 31, 2018, were not reassessed to determine whether or not they contained a lease;
- Leases with a lease term of 12 months or less from lease commencement date are considered short-term leases and not recorded on the Consolidated Balance Sheet; however, the lease expenditures recognized are captured and reported as incurred; and
- For asset classes, except long-term drilling rigs, Occidental elected to account for the lease and non-lease components as a single lease component as the non-lease portions were not significant to separate in determining the lease liability. For long-term drilling rig contracts, Occidental bifurcated the lease and non-lease components using relative fair value as a stand-alone selling price between the asset rental and the services obtained.

For Occidental operations, adoption of ASC 842 resulted in recording of net lease assets and lease liabilities of \$772 million as of January 1, 2019. There was no material impact to net income, cash flows, or stockholders' equity. See [Note 8 - Lease Commitments](#).

NOTE 3 - THE ACQUISITION

On May 9, 2019, Occidental entered into the Acquisition Agreement with Anadarko. On August 8, 2019, Anadarko's stockholders voted to approve the Acquisition and it was made effective the same day. The Acquisition added to Occidental's oil and gas portfolio, primarily in the Permian Basin, DJ Basin and Gulf of Mexico and Algeria and a controlling interest in WES.

In exchange for each share of Anadarko common stock, Anadarko stockholders received \$59.00 in cash and 0.2934 of a share of Occidental common stock, plus cash in lieu of any fractional share of Occidental common stock that otherwise would have been issued, based on the average price of \$46.31 per share of Occidental common stock on the NYSE on August 8, 2019.

In connection with the Acquisition, Occidental issued \$13.0 billion of new senior unsecured notes, \$8.8 billion of term loans (the Term Loans) and 100,000 shares of series A preferred stock (the Preferred Stock) with a warrant to purchase 80 million shares of Occidental common stock at an exercise price of \$62.50 (the Warrant) for \$10 billion. In addition, Occidental increased its existing \$3.0 billion RCF by an additional \$2.0 billion in commitments. See Note 7 - Long-term Debt and Note 13 - Stockholders' Equity for additional information.

The Acquisition constitutes a business combination and was accounted for using the acquisition method of accounting. The following table presents the Acquisition consideration paid to Anadarko stockholders as a result of the Acquisition:

<i>millions except per-share amounts</i>	As of August 8, 2019
Total shares of Anadarko common stock eligible for Acquisition consideration	491.6
Cash consideration (per share of common stock and shares underlying Anadarko stock-based awards eligible for Acquisition consideration)	\$ 59.00
Cash portion of Acquisition consideration	\$ 29,002
Total shares of Anadarko common stock eligible for Acquisition consideration	491.6
Exchange ratio (per share of Anadarko common stock)	0.2934
Total shares of Occidental common stock issued to Anadarko stockholders	144
Average share price of Occidental common stock at August 8, 2019	\$ 46.31
Stock portion of Acquisition consideration	\$ 6,679
Acquisition consideration attributable to Anadarko stock-based awards	\$ 23
Total Acquisition consideration	\$ 35,704

The following table sets forth the allocation of the Acquisition consideration. Occidental finalized the purchase price allocation during the 12 month period following the Acquisition date, those measurement period adjustments recorded were immaterial and did not result in a material impact to the statements of operations.

<i>millions</i>	As of August 8, 2019
Fair value of assets acquired:	
Current assets	\$ 3,586
Assets held for sale ^(a)	10,616
Investments in unconsolidated entities	194
Property, plant and equipment	49,125
Other assets	836
Amount attributable to assets acquired	\$ 64,357
Fair value of liabilities assumed:	
Current liabilities	\$ 3,467
Liabilities of assets held for sale ^(a)	2,200
Long-term debt	13,240
Deferred income taxes	8,591
Asset retirement obligations	2,724
Pension and post-retirement obligations	1,072
Non-current derivative liabilities	1,280
Other long-term liabilities	2,323
Amount attributable to liabilities assumed	\$ 34,897
Net assets	\$ 29,460
Fair value of WES net assets acquired less noncontrolling interests ^(a)	\$ 6,244
Total Acquisition consideration	\$ 35,704

^(a) See [Note 1 - Summary of Significant Accounting Policies](#) for a discussion for the purchase and sale agreement with Total and for a discussion of the WES investment.

The following table summarizes the fair value of the major categories of WES assets acquired and liabilities assumed at the Acquisition date as well as the noncontrolling interest, which primarily consisted of the 44.6% limited partner interest in WES owned by the public. The fair value of Occidental's controlling interest in WES is calculated based on the market capitalization value at the Acquisition date.

<i>millions</i>	As of August 8, 2019
Fair value of WES assets acquired:	
Current assets	\$ 499
Investments in unconsolidated entities	2,425
Property, plant and equipment	10,160
Intangible assets - customer relationships	1,800
Goodwill	5,772
Other assets	342
Amount attributable to assets acquired	\$ 20,998
Fair value of WES liabilities assumed:	
Current liabilities	\$ 815
Long-term debt	7,407
Deferred income taxes	1,174
Asset retirement obligations	321
Other long-term liabilities	142
Amount attributable to liabilities assumed	\$ 9,859
Net assets	\$ 11,139
Less: Fair value of noncontrolling interests in WES	\$ 4,895
Fair value of WES net assets acquired less noncontrolling interests	\$ 6,244

The aggregate purchase price noted above was allocated to the major categories of assets and liabilities acquired based upon their preliminary estimated fair values at the date of the Acquisition. The valuation of certain assets, including property and intangible assets, are based on preliminary appraisals. The majority of measurements of assets acquired and liabilities assumed, other than debt, are based on inputs that are not observable in the market and thus represent Level 3 inputs. The fair value of acquired properties and equipment is based on both available market data and a cost approach.

Onshore undeveloped oil and gas properties were valued primarily using a market approach based on comparable transactions for similar properties while the income approach was utilized for developed oil and gas properties based on underlying reserve projections at the Acquisition date. For the acquired Gulf of Mexico offshore properties, an income approach was used as the primary valuation method based on underlying reserve projections. Income approaches are considered level 3 fair value estimates and include significant assumptions of future production, commodity prices and operating and capital cost estimates, discounted using weighted average cost of capital for industry peers and risk adjustment factors based on reserve category. Price assumptions were based on a combination of market information and published industry resources adjusted for historical differentials. Cost estimates were based on current observable costs inflated based on historical and expected future inflation. Taxes were based on current statutory rates.

The fair value of WES investments in unconsolidated entities were valued using an income approach for each investment, with significant inputs being forecasted distributions, an anticipated growth rate and an estimated discount rate. Acquired WES property, plant and equipment primarily consisted of gathering systems and processing and treating facilities and were primarily valued using a replacement cost approach. Intangible assets primarily consist of relationships with third-party customers, the fair value of which was determined using an income approach, including significant assumptions related to estimated cash flows from third-party customers less a contributory asset charge, a customer retention rate and an estimated discount rate. Customer relationships are amortized over 30 years. Goodwill is attributable to the difference in WES market capitalization value and the net assets acquired and primarily relates to the relationship between Occidental and WES that is not recognized as a separate asset, due to Occidental consolidating WES as of the Acquisition date.

Deferred income taxes represent the tax effects of differences in the tax basis and acquisition-date fair values of assets acquired and liabilities assumed. The measurement of debt instruments was based on unadjusted quoted prices in an active market and are primarily Level 1; approximately \$2.5 billion of the assumed Anadarko debt is considered Level 2, while

approximately \$730 million of the WES debt is considered Level 2. The value of derivative instruments was based on observable inputs, primarily forward commodity price and interest rate curves and is considered Level 2.

With the completion of the Acquisition, Occidental acquired proved and unproved properties of approximately \$19.1 billion and \$27.4 billion, respectively, primarily associated with the Permian Basin, DJ Basin, Gulf of Mexico and Powder River Basin. The remaining \$2.5 billion in PP&E consisted of non-oil and gas mineral interests and other real estate assets.

From the date of the Acquisition through December 31, 2019, revenues and the net loss attributable to common stockholders associated with the operations acquired through the Acquisition totaled \$4.2 billion and \$1.7 billion, respectively, which includes a charge as a result of recording Occidental's investment in WES at fair value as of December 31, 2019 upon the loss of control.

The following table summarizes the unaudited pro forma condensed financial information of Occidental for the year ended December 31 as if the Acquisition had occurred on January 1, 2018:

<i>millions except per-share amounts</i>	Year ended December 31,	
	2019	2018
Revenues	\$ 28,723	\$ 31,206
Net income (loss) attributable to common stockholders ^(a)	\$ (769)	\$ 2,965
Net income (loss) attributable to common stockholders per share—basic	\$ (0.95)	\$ 3.26
Net income (loss) attributable to common stockholders per share—diluted	\$ (0.95)	\$ 3.25

^(a) Excluding the pro-forma results of WES, net income (loss) attributable to common stockholders would be \$(1.1) billion and \$2.8 billion for the year ended December 31, 2019 and 2018, respectively.

The unaudited pro forma information is presented for illustration purposes only and is not necessarily indicative of the operating results that would have occurred had the Acquisition been completed at January 1, 2018, nor is it necessarily indicative of future operating results of the combined entity. The unaudited pro forma information for 2019 is a result of combining the statements of operations of Occidental with the pre-Acquisition results from January 1, 2019 of Anadarko and included adjustments for revenues and direct expenses. The pro forma results exclude results from the held for sale Africa assets, any cost savings anticipated as a result of the Acquisition and the impact of any Acquisition-related costs. The pro forma results include adjustments to DD&A based on the purchase price allocated to property, plant and equipment and the estimated useful lives as well as adjustments to interest expense. The pro forma adjustments include estimates and assumptions based on currently available information. Management believes the estimates and assumptions are reasonable and the relative effects of the Acquisition are properly reflected.

ANADARKO ACQUISITION-RELATED COSTS

The following table summarizes the Acquisition-related costs incurred for the year ended December 31:

<i>millions</i>	2020	2019
Employee severance and related employee cost	\$ 314	\$ 1,033
Licensing fees for critical seismic data	—	401
Bank, legal, consulting and other	25	213
Total	\$ 339	\$ 1,647

Employee severance and related employee cost primarily relates to one-time severance costs and the accelerated vesting of certain Anadarko share-based awards for former Anadarko employees based on the terms of the Acquisition Agreement and existing change of control provisions within the former Anadarko employment agreements. In addition, employee severance and related employee cost included expenses for a voluntary separation program for eligible employees. Occidental initiated this program to align the size and composition of its workforce with its expected future operating and capital plans.

The seismic licensing fees relate to relicensing of critical seismic data related to the Gulf of Mexico, Permian Basin and DJ Basin that Anadarko had licensed from third-party vendors. The third-party vendors who own the seismic data required a transfer fee in order for Occidental to use the data.

DEBT ISSUED AND ASSUMED IN CONNECTION WITH THE ACQUISITION

On August 8, 2019, Occidental issued \$13.0 billion of new senior unsecured notes, consisting of both floating and fixed rate debt. Occidental also borrowed under the Term Loans, which consist of: (1) a 364-day senior unsecured variable-rate term loan tranche of \$4.4 billion and (2) a two-year senior unsecured variable-rate term loan tranche of \$4.4 billion. In total,

the \$21.8 billion in debt issued was used to finance part of the cash portion of the purchase price for the Acquisition.

In the Acquisition, Occidental assumed Anadarko debt with an outstanding principal balance of \$11.9 billion. In September 2019, Occidental completed its offers to exchange the Anadarko senior notes and debentures assumed as part of the Acquisition for notes of a corresponding series issued by Occidental and cash and related solicitation of consents. Of the approximately \$11.9 billion in aggregate principal amount of Anadarko senior notes and debentures offered in the exchange, 97%, or approximately \$11.5 billion, were tendered and accepted in the exchange offers. The portion not exchanged, approximately \$400 million, remained outstanding.

NOTE 4 - DIVESTITURES AND OTHER TRANSACTIONS

DIVESTITURES AND OTHER TRANSACTIONS

2020

In November 2020 and December 2020, Occidental divested of certain non-core, largely non-operated proved and unproved acreage in the Permian for a loss of approximately \$820 million. The losses have been presented within gains (losses) on sale of assets, net in the Consolidated Statement of Operations. The net proceeds were used to pay down near-term maturities.

In October 2020, Occidental entered into an agreement to sell its onshore oil and gas Colombia assets. The transaction closed in December 2020, and Occidental recorded a loss on sale of approximately \$353 million. The loss has been presented within gains (losses) on sale of assets, net in the Consolidated Statement of Operations. The net proceeds were used to pay down near-term maturities.

In August 2020, Occidental entered into an agreement to sell approximately 4.5 million mineral acres and 1 million fee surface acres located in Wyoming, Colorado and Utah for approximately \$1.33 billion. The transaction closed in October 2020 for net cash proceeds of approximately \$1.0 billion, after satisfying \$329 million of liabilities associated with the sale of future royalties. Occidental recorded a loss on sale of \$440 million. The loss has been presented within gains (losses) on sale of assets, net in the Consolidated Statement of Operations. The net proceeds were utilized to pay down a portion of the 2-year variable rate Term Loan due 2021. See [Note 7 - Long-Term Debt](#) for further information.

2019

In December 2019, Occidental disposed of real estate assets for \$565 million. Occidental utilized net proceeds to pay down a portion of the Term Loans. Concurrent with the sale, Occidental entered a 13-year lease for part of the real estate assets. Based on the terms of the lease, Occidental treated this as a failed sale-leaseback, retained the related book value in property, plant and equipment and recognized a finance lease of approximately \$300 million based on the discounted future minimum lease payments.

In November 2019, Occidental and Ecopetrol closed on the joint venture to develop approximately 97,000 net acres of Occidental's Midland Basin unproved properties in the Permian Basin. Ecopetrol paid \$750 million in cash at closing and up to \$750 million of carried capital in exchange for a 49% interest in the new venture. Occidental recognized a gain of \$563 million on the sale. Following the close, Occidental owned a 51% interest and operates the joint venture. During the carry period, Ecopetrol will pay 75% of Occidental's share of capital expenditures, up to \$750 million. The joint venture allows Occidental to accelerate its development plans in the Midland Basin, where it currently has minimal activity. Occidental will retain production and cash flow from its existing operations in the Midland Basin. The proceeds were used to pay down a portion of the Term Loans.

In September 2019, Occidental sold its remaining equity investment in Plains for net proceeds of \$646 million, which resulted in a pre-tax gain of \$114 million. The proceeds were used to pay down a portion of the Term Loans.

2018

In September 2018, Occidental divested non-core domestic midstream assets for total consideration of \$2.6 billion, of which approximately \$2.4 billion was received at closing, resulting in a pre-tax net gain of \$907 million. These assets include the Centurion common carrier oil pipeline and storage system, Southeast New Mexico oil gathering system and Ingleside Crude Terminal. Following the transactions, Occidental retained its long-term flow assurance, pipeline takeaway and export capacity through its retained marketing business.

In July 2018, Occidental acquired a previously leased power and steam cogeneration facility for \$443 million.

In March 2018, Occidental divested non-core midstream assets for approximately \$150 million, resulting in a pre-tax gain of \$43 million.

DISCONTINUED OPERATIONS

The following table presents the amounts reported in discontinued operations, net of income taxes, related to the Ghana assets for the year ended December 31, 2020 and for the Ghana, Mozambique and South Africa assets subsequent to the Acquisition closing date through December 31, 2019:

<i>millions</i>	2020	2019
Revenues and other income		
Net sales	\$ 419	\$ 221
Costs and other deductions		
Oil and gas lease operating expense	117	45
Fair value adjustment on assets held for sale	2,263	85
Other	48	45
Total costs and other deductions	\$ 2,428	\$ 175
Income (loss) before income taxes	\$ (2,009)	\$ 46
Income tax benefit (expense)	711	(61)
Discontinued operations, net of tax	\$ (1,298)	\$ (15)

The following table presents amounts related to the Ghana assets reported as held for sale in the Consolidated Balance Sheet as of December 31, 2020 and the amounts related to the Mozambique, South Africa and Ghana assets reported as held for sale in the Consolidated Balance Sheet as of December 31, 2019, respectively:

<i>millions</i>	2020	2019
Current assets	\$ 37	\$ 40
Property, plant and equipment, net	1,364	3,720
Long-term receivables and other assets, net	32	110
Assets held for sale	\$ 1,433	\$ 3,870
Current liabilities	\$ 84	\$ 264
Long-term debt, net - finance leases	175	185
Deferred income taxes	328	1,112
Asset retirement obligations	166	155
Other	—	2
Liabilities of assets held for sale	\$ 753	\$ 1,718
Net assets held for sale	\$ 680	\$ 2,152

ALGERIA OPERATIONS RECLASSIFICATION

The following table presents the amounts previously reported in discontinued operations, net of income taxes, for the year ended December 31, 2019 which was reclassified to continuing operations as a result of Occidental's decision to operate in Algeria.

<i>millions</i>	Year ended December 31, 2019	
Revenues and other income		
Net sales	\$	518
Costs and other deductions		
Oil and gas lease operating expense		36
Transportation expense		14
Taxes other than on income		133
Depreciation, depletion and amortization		159
Other		9
Total costs and other deductions		351
Income before income taxes		167
Income tax expense		(167)
Net income of Algeria operations, after taxes	\$	—

The following table presents the amounts previously reported in the Consolidated Balance Sheets as held for sale related to Algeria that were subsequently reclassified as of December 31, 2019:

<i>millions</i>	December 31, 2019	
Current assets	\$	249
Property, plant and equipment, net		1,761
Long-term receivables and other assets, net		146
Total Assets	\$	2,156
Current liabilities	\$	188
Non-current liabilities		104
Total Liabilities	\$	292

NOTE 5 - REVENUE

Revenue from customers is recognized when obligations under the terms of a contract are satisfied; this generally occurs with the delivery of oil, NGL, gas, 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 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 certain taxes, such as sales taxes, that are assessed by governmental authorities on Occidental's customers.

Occidental does not incur significant costs to obtain contracts. Incidental items that are immaterial in the context of the contract are recognized as expenses. Sales of hydrocarbons and chemicals to customers are invoiced and settled on a monthly basis. Occidental is not usually subject to obligations for warranties, rebates, 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. Occidental does not disclose consideration for remaining performance obligations with an original expected duration of one year or less or for variable consideration related to unsatisfied

performance obligations. Revenue expected to be recognized from unsatisfied performance obligations as of December 31, 2020, was \$103 million in 2021 and \$59 million thereafter with the majority being recognized between 2022 and 2033.

OIL AND GAS SEGMENT

Revenue from oil and gas production is recognized when production 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.

CHEMICALS 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

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

The following table reconciles revenue from customers to total net sales for the years ended December 31:

<i>millions</i>	2020	2019
Revenue from customers	\$ 17,138	19,192
All other revenues ^(a)	679	1,719
Net sales	\$ 17,806	20,911

^(a) Included net marketing derivatives, oil collars and calls and chemical exchange contracts.

DISAGGREGATION OF REVENUE FROM CONTRACTS WITH CUSTOMERS

The table below presents Occidental's revenue from customers by segment, product and geographical area. The oil and gas segment typically sells its oil, NGL and gas at the lease or concession area. Chemical segment revenues are shown by geographic area based on the location of the sale. Excluding net marketing revenue, midstream and marketing segment revenues are shown by the location of sale.

<i>millions</i>	United States	Middle East	Latin America	Other International	Eliminations	Total
Year ended December 31, 2020						
Oil and gas						
Oil	\$ 7,485	\$ 1,949	\$ 454	\$ —	\$ —	\$ 9,888
NGL	838	217	—	—	—	1,055
Gas	660	313	13	—	—	986
Other	65	1	—	—	—	66
Segment total	\$ 9,048	\$ 2,480	\$ 467	\$ —	\$ —	\$ 11,995
Chemical	\$ 3,524	\$ —	\$ 137	\$ 65	\$ —	\$ 3,726
Midstream and marketing						
Gas processing	\$ 350	\$ 294	\$ —	\$ —	\$ —	\$ 644
Marketing	1,144	—	—	278	—	1,422
Power and other	101	—	—	—	—	101
Segment total	\$ 1,595	\$ 294	\$ —	\$ 278	\$ —	\$ 2,167
Eliminations	\$ —	\$ —	\$ —	\$ —	\$ (758)	\$ (758)
Consolidated	\$ 14,167	\$ 2,774	\$ 604	\$ 343	\$ (758)	\$ 17,130
Year ended December 31, 2019						
Oil and gas						
Oil	\$ 8,411	\$ 3,256	\$ 683	\$ —	\$ —	\$ 12,350
NGL	658	283	—	—	—	941
Gas	424	319	20	—	—	763
Other	(1)	(5)	—	—	—	(6)
Segment total	\$ 9,492	\$ 3,853	\$ 703	\$ —	\$ —	\$ 14,048
Chemical	\$ 3,858	\$ —	\$ 155	\$ 67	\$ —	\$ 4,080
Midstream and marketing ^(a)						
Gas processing and CO ₂	\$ 395	\$ 351	\$ —	\$ —	\$ —	\$ 746
Marketing	436	—	—	—	—	436
WES - Gas processing	1,110	—	—	—	—	1,110
Power and other	36	—	—	—	—	36
Segment total	\$ 1,977	\$ 351	\$ —	\$ —	\$ —	\$ 2,328
Eliminations	\$ —	\$ —	\$ —	\$ —	\$ (1,264)	\$ (1,264)
Consolidated	\$ 15,327	\$ 4,204	\$ 858	\$ 67	\$ (1,264)	\$ 19,192

^(a) The midstream and marketing segment included revenues from customers from WES from the date of the Acquisition to December 31, 2019. See [Note 1 - Summary of Significant Accounting Policies](#) for more information.

NOTE 6 - INVENTORIES

Finished goods primarily represents oil, which is carried at the lower of weighted-average cost or net realizable value, and caustic soda and chlorine, which are valued under the LIFO method. Inventories consisted of the following at December 31:

<i>millions</i>	2020		2019	
Raw materials	\$	70	\$	75
Materials and supplies		848		974
Commodity inventory and finished goods		1,009		572
		1,927		1,621
Revaluation to LIFO		(29)		(40)
Total	\$	1,898	\$	1,581

NOTE 7 - LONG-TERM DEBT

At December 31, 2020 and 2019, Occidental's long-term debt consisted of the following:

<i>millions</i>	2020		2019	
4.850% senior notes due 2021	\$	147	\$	677
2.600% senior notes due 2021		224		1,500
4.100% senior note due 2021		—		1,249
Variable rate bonds due 2021 (1.193% and 2.854% as of December 31, 2020 and 2019, respectively)		27		500
Variable rate bonds due 2021 (3.151% as of December 31, 2019)		—		500
2-year variable rate Term Loan due 2021 (3.111% as of December 31, 2019)		—		1,956
2.700% senior notes due 2022		629		2,000
3.125% senior notes due 2022		276		814
2.600% senior notes due 2022		101		400
Variable rate bonds due 2022 (1.730% and 3.360% as of December 31, 2020 and 2019, respectively)		1,052		1,500
2.700% senior notes due 2023		927		1,191
8.750% medium-term notes due 2023		22		22
2.900% senior notes due 2024		3,000		3,000
6.950% senior notes due 2024		650		650
3.450% senior notes due 2024		248		248
8.000% senior notes due 2025		500		—
5.875% senior notes due 2025		900		—
3.500% senior notes due 2025		750		750
5.500% senior notes due 2025		750		—
5.550% senior notes due 2026		1,100		1,100
3.200% senior notes due 2026		1,000		1,000
3.400% senior notes due 2026		1,150		1,150
7.500% debentures due 2026		112		112
8.500% senior notes due 2027		500		—
3.000% senior notes due 2027		750		750
7.125% debentures due 2027		150		150
7.000% debentures due 2027		48		48
6.625% debentures due 2028		14		14



7.150% debentures due 2028	235	235
7.200% senior debentures due 2028	82	82
6.375% senior notes due 2028	600	—
7.200% debentures due 2029	135	135
7.950% debentures due 2029	116	116
8.450% senior debentures due 2029	116	116
3.500% senior notes due 2029	1,500	1,500
Variable rate bonds due 2030 (4.210% and 1.705% as of December 31, 2020 and 2019, respectively)	68	68
8.875% senior notes due 2030	1,000	—
6.625% senior notes due 2030	1,500	—
6.125% senior notes due 2031	1,250	—
7.500% senior notes due 2031	900	900
7.875% senior notes due 2031	500	500
6.450% senior notes due 2036	1,750	1,750
Zero Coupon senior notes due 2036	2,269	2,271
6.500% note payable to WES due 2038	—	260
4.300% senior notes due 2039	750	750
7.950% senior notes due 2039	325	325
6.200% senior notes due 2040	750	750
4.500% senior notes due 2044	625	625
4.625% senior notes due 2045	750	750
6.600% senior notes due 2046	1,100	1,100
4.400% senior notes due 2046	1,200	1,200
4.100% senior notes due 2047	750	750
4.200% senior notes due 2048	1,000	1,000
4.400% senior notes due 2049	750	750
7.730% debentures due 2096	60	60
7.500% debentures due 2096	78	78
7.250% debentures due 2096	49	49
Total borrowings at face value	\$ 35,235	\$ 37,401
Adjustments to book value:		
Unamortized premium, net	748	914
Debt issuance costs	(156)	(125)
Long-term finance leases	316	347
Current finance leases	42	51
Total debt and finance leases	\$ 36,185	\$ 38,588
Less current maturities of financing leases	(42)	(51)
Less current maturities of long-term debt	(398)	—
Long-term Debt, net	\$ 35,745	\$ 38,537

DEBT MATURITIES

At December 31, 2020, future principal payments on long-term debt aggregated approximately \$35.2 billion, of which, \$398 million is due in 2021, \$2.1 billion is due in 2022, \$0.9 billion is due in 2023, \$3.9 billion is due in 2024, and \$27.9 billion is due in 2025 and thereafter.

DEBT ISSUED, REPAID AND EXCHANGED - 2020

The following table summarizes Occidental's debt issuances, repurchases, repayments and exchanges for the twelve months ended December 31, 2020:

<i>millions</i>	Borrowings at face value	
Total borrowings at face value as of December 31, 2019	\$	37,401
Issuance of July 2020 notes:		
8.000% senior notes due 2025		500
8.500% senior notes due 2027		500
8.875% senior notes due 2030		1,000
July tender and purchase:		
4.100% senior notes due February 2021		(943)
Variable rate bonds due February 2021		(473)
4.850% senior notes due March 2021		(530)
2.600% senior notes due August 2021		(51)
Issuance of August 2020 notes:		
5.875% senior notes due 2025		900
6.375% senior notes due 2028		600
6.625% senior notes due 2030		1,500
August and September tender and purchase:		
4.100% senior notes due February 2021		(139)
Variable rate bonds due August 2021		(123)
2.600% senior notes due August 2021		(1,099)
Variable rate bonds due August 2022		(448)
2.600% senior notes due April 2022		(171)
2.700% senior notes due August 2022		(102)
2.700% senior notes due February 2023		(52)
August WES exchange:		
6.500% note payable to WES due 2038		(260)
September Term Loan repayment:		
2-year variable rate term loan due 2021		(500)
October Term Loan and note repayment:		
2-year variable rate bonds due August 2021		(377)
0.00% senior notes due October 2036		(2)
2-year variable rate term loan due September 2021		(1,010)
November Term Loan repayment:		
2-year variable rate term loan due September 2021		(232)
Issuance of December 2020 notes:		
5.500% senior notes due 2025		750
6.125% senior notes due 2031		1,250
December tender and purchase:		
2.600% senior notes due August 2021		(126)
3.125% senior notes due February 2022		(538)
2.600% senior notes due April 2022		(128)
2.700% senior notes due August 2022		(1,269)
2.700% senior notes due February 2023		(212)
December Term Loan and note repayment:		
2-year variable rate term loan due September 2021		(214)
4.100% senior notes due February 2021		(167)
Total borrowings at face value as of December 31, 2020	\$	35,235

In July, August, and December, 2020, Occidental issued \$7.0 billion in senior unsecured notes, in aggregate, with maturities ranging from 2025 to 2031 and used the net proceeds to tender \$3.5 billion of 2021, \$2.7 billion of 2022 and \$264 million of 2023 maturities. In addition, Occidental used proceeds from the sale of mineral and surface acres located in Wyoming, Colorado and Utah; the Colombian asset sale and proceeds from other divestitures and cash on hand to repay \$2.5 billion of 2021 and \$2 million of 2036 maturities.

In August 2020, Occidental exchanged approximately 27.9 million WES common units to retire a \$260 million note payable to WES, resulting in a net loss of \$46 million, which includes a \$76 million gain on debt extinguished associated with an unamortized premium on the note payable to WES. This net loss on exchange has been presented in (losses) gains on sale of assets, net in the Consolidated Statement of Operations.

Interest on the notes issued in July 2020 will be paid semi-annually on July 15 and January 15 of each year, commencing on January 15, 2021. Interest on the notes issued in August 2020 will be paid semi-annually on September 1 and March 1 of each year, commencing on March 1, 2021. Interest on the December 2025 notes issued in December 2020 will be paid semi-annually on June 1 and December 1 of each year, commencing on June 1, 2021. Interest on the January 2031 notes issued in December 2020 will be paid semi-annually on July 1 and January 1 of each year, commencing on July 1, 2021.

REVOLVING CREDIT FACILITY

In March 2020, Occidental amended the sole financial covenant in its RCF by revising the definition of "Total Capitalization" to exclude any non-cash write downs, impairments and related charges occurring after September 30, 2019.

On June 30, 2019, Occidental entered into an amendment to its existing \$3.0 billion RCF pursuant to which, among other things, the commitments under the RCF were increased to \$5.0 billion at the closing of the Acquisition. Borrowings under the RCF bear interest at various benchmark rates, including LIBOR, plus a margin based on Occidental's senior debt ratings. The facility has similar terms to other debt agreements and does not contain material adverse change clauses or debt ratings triggers that could restrict Occidental's ability to borrow, or that would permit lenders to terminate their commitments or accelerate debt repayment. The facility provides for the termination of loan commitments and requires immediate repayment of any outstanding amounts if certain events of default occur. Occidental has not drawn down any amounts under the RCF. In 2020, Occidental paid average annual facility fees of 0.275% on the total commitment amount.

ZERO COUPON NOTES DUE 2036

The Zero Coupons have an aggregate principal amount due at maturity of approximately \$2.3 billion, reflecting an accretion rate of 5.24%. The Zero Coupons can be put to Occidental in October of each year, in whole or in part, for the then-accreted value of the outstanding Zero Coupons. The Zero Coupons can next be put to Occidental in October 2021, which, if put in whole, would be \$1.0 billion at such date. Occidental has the ability and intent to refinance these obligations under the RCF or other committed facilities.

DEBT GUARANTEES

As of December 31, 2020, and 2019, Occidental had provided limited recourse guarantees of approximately \$242 million, primarily related to Dolphin Energy Limited's debt, which are limited to certain political and other events.

FAIR VALUE OF DEBT

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 values of Occidental's debt at December 31, 2020, and 2019, substantially all of which were classified as Level 1, were approximately \$33.8 billion and \$38.8 billion, respectively. Occidental's exposure to changes in interest rates relates primarily to its variable-rate, long-term debt obligations, and is not material. As of December 31, 2020, and 2019, variable-rate debt constituted approximately 3% and 12% of Occidental's total debt, respectively.

DEBT RATINGS

In connection with the Senior Notes Offerings, Occidental's long-term debt credit ratings were reviewed by the three major rating agencies. As of December 31, 2020, Occidental's long-term debt was rated BB by Fitch Ratings, Ba2 by Moody's Investors Service and BB- by Standard and Poor's. Any additional downgrade in credit ratings could impact Occidental's ability to access capital markets and increase its cost of capital. In addition, given that Occidental's current debt ratings are non-investment grade, Occidental may be requested, and in some cases required, to provide collateral in the form of cash, letters of credit, surety bonds or other acceptable support as financial assurance of its performance and payment obligations under certain contractual arrangements such as pipeline transportation contracts, environmental remediation obligations, oil and gas purchase contracts and certain derivative instruments.

As of the date of this filing, Occidental has provided required financial assurances through a combination of cash, letters of credit and surety bonds and has not issued any letters of credit under the RCF or other committed facilities. For additional information, see Risk Factors in Part I, Item IA of this Form 10-K.

NOTE 8 - LEASE COMMITMENTS

Occidental identifies leases through its accounts payable and contract monitoring process. Since the adoption of ASC 842, operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. The ROU assets include the discounted obligation in addition to any upfront payments or costs incurred during the contract execution of the lease and amortized on a straight-line basis over the course of the lease term. Except for leases with explicitly defined contract terms, Occidental utilizes judgment to assess likelihood of renewals, terminations and purchase options, in order to determine the lease term. Occidental uses the incremental borrowing rate at commencement date to determine the present value of lease payments. The incremental borrowing rate equates to the rate of interest that Occidental would have to pay to borrow on a collateralized basis over a similar term an amount equal to the lease payments in a similar economic environment. Certain leases include variable lease payments which are over and above the minimum lease liability used to derive the ROU asset and lease liability and are based on the underlying asset's operations. These variable lease costs are reported in the lease cost classification table.

Occidental's operating lease agreements include lease liability for oil and gas exploration and development equipment, including offshore and onshore drilling rigs of \$45 million, compressors of \$140 million, storage facilities of \$253 million, office space \$406 million and other field equipment of \$57 million, which are recorded gross on the Consolidated Balance Sheet and in the lease cost disclosures below. Contract expiration terms generally range from two to eight years. Further, actual expenditures are netted against joint-interest recoveries on the income statement through the normal joint-interest billing process. Occidental's leases also include pipelines, rail cars, easements, aircraft and real estate of \$213 million, which typically are not associated with joint-interest recoveries. Real estate and rail cars leases have contract expiration terms ranging from one to 13 years.

Occidental's finance lease agreements include leases for oil and gas exploration and development equipment, as well as real estate offices, compressors and field equipment of approximately \$358 million. The following table presents lease balances and their location on the Consolidated Balance Sheet at December 31, 2020 and 2019:

<i>millions</i>	Balance sheet location	2020		2019	
Assets:					
Operating	Operating lease assets	\$	1,062	\$	1,411
Finance	Property, plant and equipment		365		397
Total lease assets		\$	1,427	\$	1,808
Liabilities:					
Current					
Operating	Current operating lease liabilities	\$	473	\$	579
Finance	Current maturities of long-term debt		42		51
Non-current					
Operating	Deferred credits and other liabilities - Operating lease liabilities		641		872
Finance	Long-term debt, net		316		347
Total lease liabilities		\$	1,472	\$	1,849

At December 31, 2020, Occidental's leases expire based on the following schedule:

<i>millions</i>	Operating Leases ^(a)		Finance Leases ^(b)		Total
2021	\$	456	\$	44	\$ 500
2022		182		43	225
2023		108		41	149
2024		87		46	133
2025		71		30	101
Thereafter		385		231	616
Total lease payments			1,289	435	1,724
Less: Interest			(175)	(77)	(252)
Total lease liabilities		\$	1,114	\$	358

^(a) The weighted-average remaining lease term is 6.2 years and the weighted-average discount rate is 4.73%.

^(b) The weighted-average remaining lease term is 10.6 years and the weighted-average discount rate is 3.47%.

The following tables present Occidental's total lease cost and classifications, as well as cash paid for amounts included in the measurement of operating and finance lease liabilities for the years ended December 31:

<i>millions</i>	2020	2019
Lease cost classification ^(a)		
Operating lease costs ^(b)		
Property, plant and equipment, net	\$ 197	\$ 449
Operating expense and cost of sales	557	391
Selling, general and administrative expenses	107	92
Finance lease cost		
Amortization of ROU assets	29	19
Interest on lease liabilities	14	2
Total lease cost	\$ 904	\$ 953

^(a) Amounts reflected are gross before joint-interest recoveries.

^(b) Included short-term lease cost of \$207 million and \$404 million and variable lease cost of \$95 million and \$162 million for the years ended December 31, 2020 and 2019, respectively.

<i>millions</i>	2020	2019
Operating cash flows	\$ 506	\$ 262
Investing cash flows	\$ 89	\$ 112
Financing cash flows ^(a)	\$ 29	\$ 19

^(a) Excludes cash received of approximately \$300 million associated with a failed sale-leaseback in 2019, see [Note 4 - Divestitures and Other Transactions](#).

NOTE 9 - DERIVATIVES

OBJECTIVE AND STRATEGY

Occidental uses a variety of derivative financial instruments and physical contracts to manage its exposure to commodity price fluctuations, interest rate risks and transportation commitments and to fix margins on the future sale of stored commodity volumes. Occidental also enters into derivative financial instruments for trading purposes.

Occidental may elect normal purchases and normal sales exclusions when physically delivered commodities are purchased or sold to a customer. Occidental occasionally applies cash flow hedge accounting treatment to derivative financial instruments to lock in margins on the forecasted sales of its natural gas storage volumes, and at times for other strategies, such as to lock rates on forecasted debt issuances. Derivatives are carried at fair value and on a net basis when a legal right of offset exists with the same counterparty. See [Note 1 - Summary of Significant Accounting Policies](#) for Occidental's accounting policy on derivatives.

DERIVATIVES NOT DESIGNATED AS HEDGING INSTRUMENTS

As of December 31, 2020, Occidental's derivatives not designated as hedges consist of oil call options, natural gas collars, interest rate swaps and marketing derivatives.

Derivative instruments that are derivatives not designated as hedging instruments are required to be recorded on the balance sheet at fair value. Changes in fair value will impact Occidental's earnings through mark-to-market adjustments until the physical commodity is delivered or the financial instrument is settled. The fair value does not reflect the realized or cash value of the instrument.

COLLARS AND OIL CALL OPTIONS

In 2019, Occidental entered into 2020 Brent-priced 3-way collars combined with 2021 call options on the same volume to manage its near-term exposure to cash flow variability from oil price risks in 2020. The 2021 call options were sold to enhance the upside retention in 2020. In 2020, management elected to hedge a portion of Occidental's expected 2021 natural gas production to enhance cash flow stability. The majority of the collars settled in 2020 with the receipt of cash of \$960 million. The remaining \$52 million settled in 2021. The 2021 call options were entered into to substantially improve the terms for the ceiling price that Occidental received for the contracted commodity volumes in 2020.

In September, 2020, Occidental entered into natural gas two-way collar derivative instruments for 2021 to manage its near-term exposure to cash flow variability from natural gas price risk. A two-way collar is a combination of two options: a

sold call and a purchased put. The sold call establishes the ceiling price that Occidental will receive for the contracted commodity volume for a defined period of time. The purchased put establishes the floor price that Occidental will receive for the contracted volumes. Net gains and losses associated with collars and calls are recognized currently in net sales.

Occidental had the following collars and calls outstanding at December 31, 2020:

Collars and Calls, not designated as hedges

2021 Settlement - oil

Call options sold (MMbbl)	127.8
Average price per barrel (Brent oil pricing)	
Ceiling sold price (call)	\$ 74.16

2021 Settlement - natural gas

Natural Gas Collars (millions of MMBtu)	177.0
Volume weighted average price per MMBtu (NYMEX)	
Ceiling sold price (call)	\$ 3.64
Floor purchased price (put)	\$ 2.50

INTEREST RATE SWAPS

Occidental acquired interest rate swap contracts in the Acquisition. The contracts lock in a fixed interest rate in exchange for a floating interest rate indexed to three-month London Inter-Bank Offered Rate (LIBOR) throughout the reference period. Net gains and losses associated with interest rate derivative instruments not designated as hedging instruments are recognized currently in gains (losses) on interest rate swaps and warrants, net.

Occidental had the following outstanding interest rate swaps at December 31, 2020:

<i>millions except percentages</i>			Mandatory	Weighted-Average
Notional	Principal Amount	Reference Period	Termination Date	Interest Rate
\$	400	September 2016 - 2046	September 2021	6.348 %
\$	350	September 2017 - 2047	September 2021	6.662 %
\$	275	September 2016 - 2046	September 2022	6.709 %
\$	450	September 2017 - 2047	September 2023	6.445 %

Depending on market conditions, liability management actions or other factors, Occidental may enter into offsetting interest rate swap positions or settle or amend certain or all of the currently outstanding interest rate swaps. Occidental settled interest rate swaps with a notional value of \$125 million in October 2019. In the first quarter of 2020, Occidental extended all 2020 mandatory termination dates to 2021 or thereafter.

Derivative settlements and collateralization are classified as cash flows from operating activities unless the derivatives contain an other-than-insignificant financing element, in which case the settlements and collateralization are classified as cash flows from financing activities. Due to the liability position of the interest rate derivatives at the date of the Acquisition, the interest rate derivatives in Occidental's portfolio contain an other-than-insignificant financing element, and therefore, any settlements, collateralization or cash payments related to interest rate derivatives are classified as cash flow from financing activities. Net cash payments related to settlements were \$93 million for the twelve months ended December 31, 2020. Collateral with respect to interest rate swap agreements was paid in the amount of \$270 million for the twelve months ended December 31, 2020.

MARKETING DERIVATIVES

Occidental's marketing derivative instruments not designated as hedges are short-duration physical and financial forward contracts. A substantial majority of Occidental's physically settled derivative contracts are index-based and carry no mark-to-market valuation in earnings. These instruments settle at a weighted-average contract price of \$46.05 per barrel and \$2.58 per Mcf for oil and natural gas, respectively, at December 31, 2020. The weighted-average contract price was \$60.60 per barrel and \$2.17 per Mcf for oil and natural gas, respectively, at December 31, 2019. Net gains and losses associated with marketing derivative instruments not designated as hedging instruments are recognized currently in net sales.

The following table summarizes net long/(short) volumes associated with the outstanding marketing commodity derivatives not designated as hedging instruments as of December 31, 2020, and 2019:

	2020	2019
Oil Commodity Contracts		
Volume (MMbbl)	(31)	55
Natural gas commodity contracts		
Volume (Bcf)	(117)	(128)

THE BERKSHIRE WARRANTS

Warrants for 80 million shares of Occidental stock, with an initial exercise price of \$62.50, were issued in connection with the financing of the Acquisition (the Berkshire Warrants). The Berkshire Warrants are exercisable at the holder's option, in whole or in part, until the first anniversary of the date on which no shares of Preferred Stock remain outstanding, at which time the Berkshire Warrants expire. The holders of the Berkshire Warrants could have required net cash settlement if certain shareholder and regulatory approvals to issue shares of Occidental's common stock underlying the Berkshire Warrants were not obtained. Prior to these approvals, the fair value of the Berkshire Warrants was remeasured each reporting date with gains and losses being recorded on the income statement.

At Occidental's May 29, 2020 annual shareholders meeting, all remaining approvals were obtained and the Berkshire Warrants can no longer be cash settled. Upon these approvals, the fair value of the Berkshire Warrants was remeasured at May 29, 2020, using the Black-Scholes option model. The reclassification from liabilities to "Additional paid-in capital" was \$103 million.

The following inputs were used in the Black-Scholes option model: the expected life of the Berkshire Warrants, a volatility factor and the exercise price. The expected life is based on the estimated term of the Berkshire Warrants, the volatility factor is based on historical volatilities of Occidental common stock and the initial exercise price of \$62.50.

The Berkshire Warrants contain an anti-dilution provision that adjusts the exercise price and the number of shares of Occidental's common stock issuable on exercise upon the occurrence of certain distributions to common shareholders. On June 26, 2020, Occidental's Board of Directors declared a distribution to its common shareholders of warrants to purchase additional shares of common stock, See [Note 13 - Stockholders' Equity](#). This distribution to common shareholders resulted in an anti-dilution adjustment to the Berkshire Warrants, which lowered its exercise price to \$59.624 and increased the number of shares of Occidental's common stock issuable on exercise of the Berkshire Warrants by approximately 3.9 million shares.

DERIVATIVES DESIGNATED AS HEDGING INSTRUMENTS

Net gains and losses attributable to derivative instruments subject to cash flow hedge accounting reside in accumulated other comprehensive loss and are reclassified to earnings as the transactions to which the derivatives relate, primarily interest expense on debt issued to partially finance the Acquisition, are recognized in earnings.

FAIR VALUE OF DERIVATIVES

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 reported at the end of each reporting period. The following table presents the fair values of Occidental's outstanding derivatives. Fair values are presented at gross amounts below, including when derivatives are subject to netting arrangements, and are presented on a net basis in the Consolidated Balance Sheets.

Balance Sheet Classification	Fair Value Measurements Using				Netting ^(a)	Total Fair Value
	Level 1	Level 2	Level 3			
<i>millions</i>						
December 31, 2020						
Collars and Calls						
Other current assets	\$ —	\$ 25	\$ —	\$ —	\$ —	25
Accrued liabilities	—	(42)	—	—	—	(42)
Marketing Derivatives						
Other current assets	1,155	80	—	(1,204)	—	31
Long-term receivables and other assets, net	7	2	—	(7)	—	2
Accrued liabilities	(1,252)	(81)	—	1,204	—	(129)
Deferred credits and other liabilities - other	(7)	—	—	7	—	—
Interest Rate Swaps						
Accrued liabilities	—	(936)	—	—	—	(936)
Deferred credits and other liabilities - other	—	(822)	—	—	—	(822)
December 31, 2019						
Collars and Calls						
Other current assets	\$ —	\$ 92	\$ —	\$ —	\$ —	92
Deferred credits and other liabilities - other	—	(160)	—	—	—	(160)
Marketing Derivatives						
Other current assets	945	79	—	(973)	—	51
Long-term receivables and other assets, net	4	12	—	(4)	—	12
Accrued liabilities	(1,008)	(44)	—	973	—	(79)
Deferred credits and other liabilities - other	(4)	(1)	—	4	—	(1)
Interest Rate Swaps						
Other current assets	—	5	—	—	—	5
Long-term receivables and other assets, net	—	5	—	—	—	5
Accrued liabilities	—	(657)	—	—	—	(657)
Deferred credits and other liabilities - other	—	(776)	—	—	—	(776)
Berkshire Warrants						
Deferred credits and other liabilities - other	—	(107)	—	—	—	(107)

^(a) These amounts do not include collateral. As of December 31, 2020, \$374 million of collateral has been netted against derivative liabilities related to interest rate swaps. Occidental had \$85 million and \$65 million of initial margin deposited with brokers as of December 31, 2020 and 2019, respectively, related to marketing derivatives.

GAINS AND LOSSES ON DERIVATIVES

The following table presents gains and (losses) related to Occidental's derivative instruments on the Consolidated Statements of Operations:

<i>millions</i> Income Statement Classification	December 31,		
	2020	2019	2018
Collars and Calls			
Net sales	\$ 1,064	\$ (107)	\$ —
Marketing Derivatives			
Net sales ^(a)	(393)	1,804	2,254
Interest Rate Swaps (Excluding WES)			
Gains (losses) on interest rate swaps and warrants, net	(428)	122	—
Other ^(b)			
Gains on interest rate swaps and warrants, net	5	111	—

^(a) Includes derivative and non-derivative marketing activity.

^(b) Primarily includes losses and gains on Berkshire Warrants prior to the May 29, 2020 reclassification to equity.

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 futures 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 OTC 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 party would need to post. The aggregate fair value of derivative instruments with credit-risk-contingent features for which a net liability position existed at December 31, 2020 was \$104 million (net of \$374 million collateral), primarily related to acquired interest rate swaps, and \$787 million (net of \$169 million of collateral) existed at December 31, 2019.

NOTE 10 - ENVIRONMENTAL LIABILITIES AND EXPENDITURES

Occidental's operations are subject to stringent federal, state, local and international laws and regulations related to improving or maintaining environmental quality. The laws that require or address environmental remediation, including CERCLA and similar federal, state, local and international 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; or operation and maintenance of remedial systems. The 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.

ENVIRONMENTAL REMEDIATION

As of December 31, 2020, Occidental participated in or monitored remedial activities or proceedings at 170 sites. The following table presents Occidental's current and non-current environmental remediation liabilities as of December 31, 2020 and 2019, the current portion of which is included in accrued liabilities (\$123 million in 2020 and \$162 million in 2019) and the remainder in deferred credits and other liabilities - environmental remediation liabilities (\$1.03 billion in 2020 and \$1.04 billion in 2019).

Occidental's environmental remediation sites are grouped into four categories: NPL sites listed or proposed for listing by the EPA on the CERCLA NPL and three categories of non-NPL sites — third-party sites, Occidental-operated sites and closed or non-operated Occidental sites.

<i>millions, except number of sites</i>	2020		2019	
	Number of Sites	Remediation Balance	Number of Sites	Remediation Balance
NPL sites	35	\$ 447	36	\$ 463
Third-party sites	69	293	74	311
Occidental-operated sites	17	144	17	154
Closed or non-operated Occidental sites	49	267	50	269
Total	170	\$ 1,151	177	\$ 1,197

As of December 31, 2020, Occidental's environmental liabilities exceeded \$10 million each at 19 of the 170 sites described above, and 96 of the sites had liabilities from \$0 to \$1 million each. As of December 31, 2020, two sites — the Diamond Alkali Superfund Site and a former chemical plant in Ohio (both of which are indemnified by Maxus Energy Corporation, as discussed further below) — accounted for 92% of its liabilities associated with NPL sites. 17 of the 35 NPL sites are indemnified by Maxus.

Five of the 69 third-party sites — a Maxus-indemnified chrome site in New Jersey, a former copper mining and smelting operation in Tennessee, a former oil field and a landfill in California and an active refinery in Louisiana where Occidental reimburses the current owner for certain remediation activities — accounted for 76% of Occidental's liabilities associated with these sites. 9 of the 69 third-party sites are indemnified by Maxus.

Five sites — oil and gas operations in Colorado and chemical plants in Kansas, Louisiana, New York and Texas — accounted for 70% of the liabilities associated with the Occidental-operated sites. Seven other sites — a landfill in Western New York, a former refinery in Oklahoma, former chemical plants in California, Michigan, Tennessee and Washington and a closed coal mine in Pennsylvania — accounted for 70% of the liabilities associated with closed or non-operated Occidental sites.

Environmental remediation liabilities vary over time depending on factors such as acquisitions or divestitures, identification of additional sites and remedy selection and implementation. Occidental recorded environmental remediation expenses of \$36 million, \$112 million and \$47 million for the years ended December 31, 2020, 2019, and 2018, respectively. Environmental remediation expenses primarily relate to changes to existing conditions from past operations. Based on current estimates, Occidental expects to expend funds corresponding to approximately 45% of the year-end remediation balance over the next three to four years with the remainder over the subsequent 10 or more years. Occidental believes its range of reasonably possible additional losses beyond those amounts currently recorded for environmental remediation for all of its environmental sites could be up to \$1.1 billion.

MAXUS ENVIRONMENTAL SITES

When Occidental acquired Diamond Shamrock Chemicals Company (DSCC) in 1986, Maxus 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 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 2018, Occidental filed a complaint under CERCLA in Federal District Court in the State of New Jersey against numerous potentially responsible parties for reimbursement of amounts incurred or to be incurred to comply with the AOC, the ROD, or to perform other remediation activities at the Site.

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 current and former parents YPF and each of its respective subsidiaries and affiliates (YPF) and Repsol, S.A. and each of its respective subsidiaries and affiliates (Repsol), as well as 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. The trust is pursuing claims against YPF, Repsol and others and is expected to

distribute assets to Maxus' creditors in accordance with the trust agreement and Plan. In June 2018, the trust filed its complaint against YPF and Repsol in Delaware bankruptcy court asserting claims based upon, among other things, fraudulent transfer and alter ego. During 2019, the bankruptcy court denied Repsol's and YPF's motions to dismiss the complaint as well as their motions to move the case away from the bankruptcy court. Discovery remains ongoing at the time of this report.

NOTE 11 - 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. Reserves for matters, other than for environmental remediation, that satisfy this criteria as of December 31, 2020 and 2019, were not material to Occidental's Consolidated Balance Sheets.

In 2016, Occidental received payments from the Republic of Ecuador of approximately \$1.0 billion pursuant to a November 2015 arbitration award for Ecuador's 2006 expropriation of Occidental's Participation Contract for Block 15. The awarded amount represented a recovery of 60% of the value of Block 15. In 2017, Andes Petroleum Ecuador Ltd. (Andes) filed a demand for arbitration, claiming it is entitled to a 40% share of the judgment amount obtained by Occidental. Occidental contends that Andes is not entitled to any of the amounts paid under the 2015 arbitration award because Occidental's recovery was limited to Occidental's own 60% economic interest in the block. The merits hearing occurred in September 2020 and an arbitration decision is expected within the next six months.

In August 2019, Sanchez Energy Corporation and certain of its affiliates (Sanchez) filed voluntary petitions for reorganization under Chapter 11 of the United States Bankruptcy Code. Sanchez is a party to agreements with Anadarko as a result of its 2017 purchase of Anadarko's Eagle Ford Shale assets. Sanchez is attempting to reject some of the agreements related to the purchase of Anadarko's Eagle Ford Shale assets. If Sanchez is permitted to reject certain of those agreements, then Anadarko may owe deficiency payments to various third parties. Occidental intends to defend vigorously any attempt by Sanchez to reject the agreements. Occidental expects a ruling on Sanchez's purported contract rejection in the first half of 2021.

On May 26, 2020, a putative securities class action captioned City of Sterling Heights General Employees' Retirement System, et al. v. Occidental Petroleum Corporation, et al., No. 651994/2020 (City of Sterling), was filed in the Supreme Court of the State of New York. The complaint asserts claims under Sections 11, 12 and 15 of the Securities Act of 1933, as amended (the Securities Act), based on alleged misstatements in the Securities Act filings, including the registration statement filed in connection with the Anadarko Acquisition and Occidental's related issuance of common stock and debt securities offerings that took place in August 2019. The lawsuit was filed against Occidental, certain current and former officers and directors and certain underwriters of the debt securities offerings and seeks damages in an unspecified amount, plus attorneys' fees and expenses. Two additional putative class actions were filed in the same court (together with City of Sterling, the State Cases) and the State Cases were consolidated into In re Occidental Petroleum Corporation Securities Litigation, No. 651830/2020. Occidental intends to vigorously defend itself in all respects in regard to the State Cases.

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 Sheets. If unfavorable outcomes of these matters were to occur, future results of operations or cash flows for any particular quarterly or annual period could be materially adversely affected. 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. Taxable years through 2017 for U.S. federal income tax purposes have been audited by the U.S. Internal Revenue Service (IRS) pursuant to its Compliance Assurance Program and subsequent taxable

years are currently under review. Taxable years through 2009 have been audited for state income tax purposes. All other significant audit matters in foreign jurisdictions have been resolved through 2010. 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.

For Anadarko, its taxable years through 2014 and tax year 2016 for U.S. federal and state income tax purposes have been audited by the IRS and respective state taxing authorities. There are outstanding significant audit matters in one foreign jurisdiction. As stated above, during the course of tax audits, disputes have arisen and other disputes may arise as to facts and matters of law. Other than the matter discussed below, Occidental believes that the resolution of these outstanding tax matters would not have a material adverse effect on its consolidated financial position or results of operations.

Anadarko received an \$881 million tentative refund in 2016 related to its \$5.2 billion Tronox Adversary Proceeding settlement payment in 2015. In September 2018, Anadarko received a statutory notice of deficiency from the IRS disallowing the net operating loss carryback and rejecting Anadarko's refund claim. As a result, Anadarko filed a petition with the U.S. Tax Court to dispute the disallowances in November 2018. The case was in the IRS appeals process until the second quarter of 2020, however it has since been returned to the U.S. Tax Court where Occidental expects to continue pursuing resolution.

In accordance with ASC 740's guidance on the accounting for uncertain tax positions, Occidental has recorded no tax benefit on the tentative cash tax refund of \$881 million. As a result, should Occidental not ultimately prevail on the issue, there would be no additional tax expense recorded relative to this position for financial statement purposes other than future interest. However, in that event Occidental would be required to repay approximately \$925 million (\$898 million in federal taxes and \$27 million in state taxes) plus accrued interest of approximately \$255 million. A liability for this amount plus interest is included in deferred credits and other liabilities-other.

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 December 31, 2020, 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.

PURCHASE OBLIGATIONS AND COMMITMENTS

Occidental, its subsidiaries, or both, have entered into agreements providing for future payments, primarily to secure terminal and pipeline capacity, and also for drilling rigs and services, electrical power, steam and certain chemical raw materials. Occidental has certain other commitments under contracts, guarantees and joint ventures, including purchase commitments for goods and services at market-related prices and certain other contingent liabilities. At December 31, 2020, total purchase obligations were \$13.2 billion, which included approximately \$2.8 billion in 2021, \$4.4 billion in 2022 and 2023, \$3.0 billion in 2024 and 2025, and \$3.0 billion in 2026 and thereafter.

NOTE 12 - INCOME TAXES

The following summarizes domestic and foreign components of income (loss) from continuing operations before domestic and foreign income taxes for the years ended December 31:

<i>millions</i>	2020		2019		2018	
Domestic	\$	(15,322)	\$	(1,632)	\$	3,431
Foreign		(383)		1,986		2,177
Total	\$	(15,705)	\$	354	\$	5,608

The following summarizes components of income tax expense (benefit) on continuing operations for the years ended December 31:

<i>millions</i>	2020		2019		2018	
Current						
Federal	\$	(126)	\$	33	\$	(23)
State and Local		6		46		52
Foreign		465		1,809		1,077
Total current tax expense	\$	345	\$	1,888	\$	1,106
Deferred						
Federal		(2,384)		(130)		422
State and Local		(103)		17		12
Foreign		(30)		(914)		(63)
Total deferred tax expense (benefit)	\$	(2,517)	\$	(1,027)	\$	371
Total income tax expense (benefit)	\$	(2,172)	\$	861	\$	1,477

The following reconciliation of the U.S. federal statutory income tax rate to Occidental's worldwide effective tax rate on income from continuing operations for the years ended December 31 is stated as a percentage of income (loss) from continuing operations before income taxes:

	2020	2019	2018
U.S. federal statutory tax rate	21 %	21 %	21 %
Enhanced oil recovery credit and other general business credits	—	(2)	(3)
Goodwill impairment	(3)	—	—
Tax benefit due to reversal of indefinite reinvestment assertion	—	—	(2)
Tax impact from foreign operations	(4)	135	11
State income taxes, net of federal benefit	—	14	1
Uncertain tax positions	—	7	—
Transaction costs	—	10	—
Non-controlling interest	—	(8)	—
Executive compensation limitation	—	12	—
Stock warrants	—	(5)	—
WES loss of control	—	58	—
Other	—	1	(2)
Worldwide effective tax rate	14 %	243 %	26 %

In 2020, Occidental's worldwide effective tax rate was 14%, which was largely a result of the impairment of the WES goodwill and certain international assets for which Occidental received no tax benefit and higher-taxed foreign operations which generally caused Occidental's tax rate to vary significantly from the U.S. corporate tax rate.

The tax effects of temporary differences resulting in deferred income taxes at December 31, 2020, and 2019 were as follows:

<i>millions</i>	2020	2019
Deferred tax liabilities		
Property, plant and equipment differences	\$ (10,744)	\$ (12,375)
Equity investments, partnerships and foreign subsidiaries	(658)	(989)
Gross long-term deferred tax liabilities	(11,402)	(13,364)
Deferred tax assets		
Environmental reserves	257	261
Postretirement benefit accruals	398	441
Deferred compensation and benefits	186	266
Asset retirement obligations	942	906
Foreign tax credit carryforwards	4,465	4,379
General business credit carryforwards	607	443
Net operating loss carryforward	1,797	692
Interest expense carryforward	668	492
All other	720	782
Gross long-term deferred tax assets	10,040	8,662
Valuation allowance	\$ (5,695)	\$ (4,959)
Net long-term deferred tax assets	\$ 4,345	\$ 3,703
Total deferred income taxes, net	\$ (7,057)	\$ (9,661)
Less: foreign deferred tax asset in long-term receivables and other assets, net	\$ (56)	\$ (56)
Total deferred income taxes	\$ (7,113)	\$ (9,717)

Total deferred tax assets, after valuation allowances, were \$4.3 billion and \$3.7 billion as of December 31, 2020, and 2019, respectively. Occidental expects to realize the recorded deferred tax assets, net of any allowances, through future operating income and reversal of temporary differences. The total deferred tax liabilities were \$11.4 billion and \$13.4 billion as of December 31, 2020 and 2019, respectively. The decrease in net deferred tax liability in 2020 over 2019 is primarily driven by domestic asset impairments for which Occidental does not receive an immediate tax benefit as well as an increase in net operating loss carryforwards.

As of December 31, 2020, Occidental had foreign tax credit carryforwards of \$4.5 billion, federal general business credits carryforwards of \$607 million and state tax credit carryforwards of \$39 million. Occidental has recorded a valuation allowance for \$4.4 billion of the foreign tax credit carryforwards and \$30 million of the state tax credit carryforwards.

As of December 31, 2020, Occidental had tax-effected federal net operating loss carryforwards of \$631 million, foreign net operating loss carryforwards of \$850 million and state operating loss carryforwards of \$316 million. The carryforward balances have varying carryforward periods through 2040, excluding certain attributes for which there is an indefinite carryforward period. A valuation allowance was recorded for \$251 million of the tax-effected state net operating loss carryforwards and \$795 million of the tax-effected foreign net operating loss carryforwards. Occidental has an additional valuation allowance of \$145 million against other foreign deferred tax assets.

Occidental had a tax-effected federal interest expense carryforward of \$569 million and tax-effected state interest expense carryforward of \$99 million as of December 31, 2020. Occidental recorded a valuation allowance for \$64 million of the state interest expense carryforward.

A deferred tax liability has not been recognized for temporary differences related to unremitted earnings of certain consolidated international subsidiaries aggregating approximately \$930 million at December 31, 2020, as it is Occidental's intention to reinvest such earnings indefinitely. If the earnings of these international subsidiaries were not indefinitely reinvested, an additional deferred tax liability of approximately \$214 million would be required.

A reconciliation of the beginning and ending amount of unrecognized tax benefits is as follows:

<i>millions</i>	2020		2019		2018	
Balance at January 1	\$	2,173	\$	—	\$	22
Increase related to Anadarko Acquisition		—		2,143		—
Increases related to current-year positions		14		30		—
Settlements		(42)		—		(22)
Reductions for tax positions of prior years		(100)		—		—
Balance at December 31	\$	2,045	\$	2,173	\$	—

The December 31, 2020 balance of unrecognized tax benefits of \$2.0 billion included potential benefits of \$2.0 billion of which, if recognized, \$1.6 billion would affect the effective tax rate on income. Also included are benefits of \$84 million related to tax positions for which the ultimate deductibility is highly certain, but the timing of such deductibility is uncertain. Occidental records estimated potential interest and penalties related to liabilities for unrecognized tax benefits in the provisions for domestic and foreign income taxes. During 2020, Occidental recorded interest related to liabilities for unrecognized tax benefits of \$67 million, for a cumulative accrued interest related to liabilities for unrecognized tax benefits of \$263 million as of December 31, 2020. There were no interest and penalties associated with liabilities for unrecognized tax benefits recorded for the years ended December 31, 2020 and 2019. Over the next 12 months, it is reasonably possible that the total amount of unrecognized tax benefits could decrease by \$70 million to \$80 million due to settlements with taxing authorities or lapse in statutes of limitation.

Occidental recognized \$110 million and \$86 million in federal and state income tax receivables at December 31, 2020, and 2019, respectively, which was recorded in other current assets. In addition, Occidental recognized \$24 million in receivables associated with audits and \$36 million in federal alternative minimum tax non-current receivables at December 31, 2020 and 2019, respectively, both of which were recorded in long-term receivables and other assets, net.

Occidental is subject to audit by various tax authorities in varying periods. See [Note 11 - Lawsuits, Claims, Commitments and Contingencies](#) for a discussion of these matters.

NOTE 13 - STOCKHOLDERS' EQUITY

The following is a summary of common stock issuances:

<i>Shares in thousands</i>	Common Stock
Balance, December 31, 2017	893,469
Issued	1,628
Options exercised and other, net	19
Balance, December 31, 2018	895,116
Issued	3,188
Issued as part of the Acquisition ^(a)	146,131
Balance, December 31, 2019	1,044,435
Issued	36,130
Options exercised and other, net	—
Balance, December 31, 2020	1,080,565

^(a) Included approximately 2 million shares of common stock issued to a benefits trust for former Anadarko employees treated as treasury stock at December 31, 2019. These shares were sold from the trust in the first quarter of 2020.

TREASURY STOCK

The total number of shares authorized for Occidental's share repurchase program is 185 million shares of which 44.2 million may yet be purchased under the repurchase program. However, the program does not obligate Occidental to acquire any specific number of shares and may be discontinued at any time. In 2020, no shares were purchased under the program. In 2019, 2.7 million shares were purchased at an average price of \$66.94. In 2018, 16.9 million shares were purchased at an average price of \$74.92. Additionally, Occidental purchased shares from the trustee of its defined contribution savings plan in 2020 and 2018. As of December 31, 2020, 2019 and 2018, treasury stock shares numbered 149.1 million, 150.3 million and 145.7 million, respectively.

PREFERRED STOCK

In connection with the Acquisition, Occidental issued 100,000 shares of series A preferred stock (the Preferred Stock), having a face value of \$100,000 per share and a liquidation preference of \$105,000 per share plus unpaid accrued dividends. In connection with the preferred stock issuance, Occidental also issued the Warrant. The holder of the Warrant and the Preferred Stock may redeem the Preferred Stock as payment for the exercise price of the Warrant in lieu of cash payment upon exercise. The Preferred Stock is redeemable at Occidental's option after the 10th anniversary of issuance. Dividends on the Preferred Stock will accrue on the face value at a rate per annum of 8%, but will be paid only when, as and if declared by Occidental's Board of Directors. At any time, when such dividends have not been paid in full, the unpaid amounts will accrue dividends, compounded quarterly, at a rate per annum of 9%. Following the payment in full of any accrued but unpaid dividends, the dividend rate will remain at 9% per annum.

If preferred dividends are not paid in full, Occidental is prohibited from paying dividends on common stock. In March and June 2020, the Board of Directors elected to declare its quarterly dividend on the Preferred Stock in shares of common stock. In accordance with the Certificate of Designations, the number of shares issued was calculated based on 90 percent of the average of the volume weighted average price over each of the 10 consecutive trading days following the dividend declaration date. In April and July 2020, Occidental issued approximately 17.3 million and 11.6 million shares, respectively, of common stock to the holders of the Preferred Stock. In October 2020 and January 2021, Occidental paid \$200 million cash in Preferred Stock dividends for the Q3 and Q4 dividends, respectively.

At December 31, 2020 and 2019, Occidental had 100,000 shares of preferred stock issued and outstanding, and none were outstanding in 2018.

COMMON STOCK WARRANTS

On June 26, 2020, the Board of Directors declared a distribution of warrants to holders of Occidental common stock, at a rate of 0.125 warrants per share of Occidental common stock (the Common Stock Warrants). Occidental issued approximately 116 million Common Stock Warrants on August 3, 2020 to holders of record of outstanding shares of Occidental's common stock as of the close of business on July 6, 2020, and pursuant to Occidental's outstanding equity-based incentive awards in connection with anti-dilution adjustments resulting from such distribution. The Common Stock Warrants have an exercise price of \$22.00 per share and will expire on August 3, 2027. The Common Stock Warrants are listed on the New York Stock Exchange and trade under the symbol "OXY WS".

The Common Stock Warrants were measured at fair value on the declaration date using the Black-Scholes option model and were classified as equity in "Additional paid-in capital". The following level 2 inputs were used in the Black-Scholes option model: the expected life of the Common Stock Warrants, a volatility factor and the exercise price. The expected life is based on the estimated term of the Common Stock Warrants, the volatility factor is based on historical volatilities of Occidental common stock and the exercise of \$22.00 per share of Occidental common stock. As of the declaration date, the fair value of the Common Stock Warrants was determined to be \$767 million.

EARNINGS PER SHARE

The following table presents the calculation of basic and diluted earnings per share for the years ended December 31:

<i>millions except per share amounts</i>	2020		2019	2018
Income (loss) from continuing operations	\$	(13,533)	\$ (507)	\$ 4,131
Loss from discontinued operations		(1,298)	(15)	—
Net income (loss)	\$	(14,831)	\$ (522)	\$ 4,131
Less: Net income attributable to noncontrolling interest		—	(145)	—
Less: Preferred stock dividends		(844)	(318)	—
Net income (loss) attributable to common stock	\$	(15,675)	\$ (985)	\$ 4,131
Less: Net income allocated to participating securities		—	—	(17)
Net income (loss), net of participating securities	\$	(15,675)	\$ (985)	\$ 4,114
Weighted-average number of basic shares		918.7	809.5	761.7
Basic earnings (loss) per common share	\$	(17.06)	\$ (1.22)	\$ 5.40
Net income (loss), net of participating securities	\$	(15,675)	\$ (985)	\$ 4,114
Weighted-average number of basic shares		918.7	809.5	761.7
Dilutive securities		—	—	1.6
Total diluted weighted-average common shares		918.7	809.5	763.3
Diluted earnings (loss) per common share	\$	(17.06)	\$ (1.22)	\$ 5.39

ACCUMULATED OTHER COMPREHENSIVE LOSS

Accumulated other comprehensive loss consisted of the following after-tax amounts at December 31:

<i>millions</i>	2020		2019
Foreign currency translation adjustments	\$	(6)	\$ (7)
Losses on derivatives		(119)	(122)
Pension and postretirement adjustments ^(a)		(163)	(92)
Total	\$	(288)	\$ (221)

^(a) See Note 15 - Retirement and Postretirement Benefit Plans for further information.

NOTE 14 - STOCK-BASED INCENTIVE PLANS

Occidental issues stock-based awards to employees in accordance with the terms of the shareholder approved 2015 Long-Term Incentive Plan. An aggregate of 133 million shares of Occidental common stock were authorized for issuance and approximately 11.6 million shares had been allocated to employee awards through December 31, 2020. As of December 31, 2020, approximately 88.3 million shares were available for grants of future awards. The plan requires each share covered by an award (other than options) to be counted as if three shares were issued in determining the number of shares that are available for future awards. Accordingly, the number of shares available for future awards may be less than 88.3 million depending on the type of award granted, and shares available for future awards may increase by the number of shares that are forfeited, canceled, or correspond to the portion of any stock-based awards settled in cash, including awards that were issued under a previous plan that remain outstanding. Current outstanding awards include RSUs, stock options, CROCEIs and TSRIIs.

During 2020, non-employee directors were granted awards for 144,603 shares of common stock. Compensation expense for these awards was measured using the closing quoted market price of Occidental's common stock on the grant date and was fully recognized at that time.

For the year ended December 31, 2020, Occidental incurred expenses of \$202 million related to stock-based incentive plans, of which \$59 million was related to the Acquisition. For the year ended December 31, 2019, expense related to stock-based incentive plans was \$208 million of which \$31 million was related to the Acquisition. For the year ended December 31, 2018, Occidental incurred expenses of \$180 million related to stock-based incentive plans. The income tax benefit associated with this expense was \$42 million, \$43 million and \$47 million in the years ended December 31, 2020, 2019, and 2018, respectively.

As of December 31, 2020, unrecognized compensation expense for all unvested stock-based incentive awards was \$254 million. This expense is expected to be recognized over a weighted-average period of 1.7 years. Occidental accounts for forfeitures as they occur.

RSUs

Certain employees are awarded the right to receive RSUs, some of which have performance criteria, and are in the form of, or equivalent in value to, actual shares of Occidental common stock. Depending on their terms, RSUs may be settled in stock or may be cash settled liabilities. These awards vest from one to four years following the grant date, however, certain of the RSUs are forfeitable if performance objectives are not satisfied by the seventh anniversary of the grant date. For certain RSUs, dividend equivalents are paid during the vesting period.

CASH-SETTLED RSU LIABILITY AWARDS

The weighted-average, grant-date fair values of cash-settled RSUs granted in 2020, 2019 and 2018 were \$40.86, \$42.62 and \$75.86 per share, respectively. Cash-Settled RSUs resulted in payments of \$3 million, \$4 million and \$18 million, during the years ended December 31, 2020, 2019 and 2018, respectively.

STOCK-SETTLED RSU EQUITY AWARDS

The weighted-average, grant-date fair values of the stock-settled RSUs granted in 2020, 2019, and 2018 were \$41.60, \$58.73 and \$69.87, respectively. The fair value of RSUs settled in shares during the years ended December 31, 2020, 2019 and 2018 was \$62 million, \$148 million and \$109 million, respectively.

A summary of changes in Occidental's unvested cash- and stock-settled RSUs during the year ended December 31, 2020, is presented below:

<i>thousands, except fair values</i>	Cash-Settled			Stock-Settled		
	RSUs		Weighted-Average Grant-Date Fair Value	RSUs		Weighted-Average Grant-Date Fair Value
Unvested at January 1	4,347	\$	43.46	4,395	\$	65.88
Granted	1,500	\$	40.86	4,299	\$	41.60
Vested	(114)	\$	61.61	(2,328)	\$	64.19
Forfeitures	(276)	\$	42.68	(510)	\$	48.89
Unvested at December 31	5,457	\$	42.41	5,856	\$	50.21

TSRIs

Certain executives are awarded TSRIs that vest at the end of a three-year period following the grant date. Payout is based upon Occidental's absolute total shareholder return and performance relative to its peers. TSRIs have payouts that range from 0% to 200% of the target award and settle in stock once certified. Dividend equivalents for TSRIs are accumulated and paid upon certification of the award. The fair value of TSRIs settled in shares during the years ended December 31, 2020, 2019 and 2018 was \$9 million, \$4 million and \$12 million, respectively.

The fair values of TSRIs are initially determined on the grant date using a Monte Carlo simulation model based on Occidental's assumptions, noted in the following table, and the volatility from corresponding peer group companies. The expected life is based on the vesting period (Term). The risk-free interest rate is the implied yield available on zero coupon T-notes (U.S. Treasury Strip) at the time of grant with a remaining term equal to the Term. The dividend yield is the expected annual dividend yield over the Term, expressed as a percentage of the stock price on the grant date. Estimates of fair value may not accurately predict the value ultimately realized by the employees who receive the awards, and the ultimate value may not be indicative of the reasonableness of the original estimates of fair value made by Occidental.

The grant-date assumptions used in the Monte Carlo simulation models for the estimated payout level of TSRIs were as follows:

			TSRIs	
	2020	2019	2018	
Assumptions used:				
Risk-free interest rate	1.4%	2.5%	2.3%	
Volatility factor	26%	22%	24%	
Expected life (years)	3	3	3	
Grant-date fair value of underlying Occidental common stock	\$ 41.60	\$ 67.19	\$ 69.87	

A summary of Occidental's unvested TSRIs as of December 31, 2020 and changes during the year ended December 31, 2020 is presented below:

<i>thousands, except fair values</i>	Awards	TSRIs	
		Weighted-Average Grant-Date Fair Value of Occidental Stock	
Unvested at January 1	1,537	\$ 67.70	
Granted	641	\$ 41.60	
Vested ^(a)	(563)	\$ 67.21	
Forfeitures	(81)	\$ 52.47	
Unvested at December 31	1,534	\$ 58.02	

^(a) Presented at the target payouts. The weighted-average payout at vesting was 40% of the target, resulting in the issuance of approximately 223,000 shares of Occidental common stock.

STOCK OPTIONS

In 2020, certain employees were granted options that vest over three years, expire on the tenth anniversary of the grant date, and settle in stock or cash. Exercise prices of the options were equal to the quoted market value of Occidental's stock on the grant date. These options had a grant date fair value of \$3.19, as estimated by the Black Scholes model. The inputs to this model are presented below:

Assumptions used:	Options	
	2020	
Risk-free interest rate	1.5%	
Volatility factor	25%	
Expected life (years)	6	
Dividend yield	7.6%	
Grant-date fair value of underlying Occidental common stock	\$ 41.60	

A summary of Occidental's outstanding stock options as of December 31, 2020 and changes during the year ended December 31, 2020 is presented below:

<i>thousands, except fair values</i>	Vested		Unvested	
	Options	Weighted Average Strike Price	Options	Weighted Average Strike Price
January 1	530	\$ 79.98	—	
Granted	—		2,573	\$ 41.60
Anti-dilution adjustment	21	\$ 76.96	101	\$ 40.03
Vested	—		—	
Expirations and Forfeitures, respectively	—		—	
December 31	551	\$ 76.96	2,674	\$ 40.03

The intrinsic value of options exercised during the years ended December 31, 2020, 2019 and 2018 were insignificant. The issuance of the Common Stock Warrants, see [Note 13 - Stockholders' Equity](#), triggered certain anti-dilution provisions for both vested and unvested options, which resulted in an increase of the number of options exercisable and a decrease in the exercise price. As of December 31, 2020, the remaining life of fully vested options was 1.1 years.

CROCEI

Certain executives are awarded CROCEI awards that vest at the end of a three-year period if performance targets based on cash return on capital employed are met. These awards are settled in stock upon certification of the performance target, with payouts that range from 0% to 200% of the target award. Dividend equivalents are accumulated and paid upon certification of the award.

<i>thousands, except fair values</i>	Awards	CROCEI	
		Weighted-Average Grant-Date Fair Value of Occidental Stock	
Unvested at January 1	154	\$	68.44
Granted	197	\$	41.60
Vested ^(a)	(154)	\$	68.47
Forfeited	—		
Unvested at December 31	197	\$	41.60

^(a) Presented at the target payouts. The weighted-average payout at vesting was 58% of the target resulting in the issuance of approximately 89,700 shares.

NOTE 15 - RETIREMENT AND POSTRETIREMENT BENEFIT PLANS

Occidental has various defined contribution and defined benefit plans for its salaried, domestic union and nonunion hourly and certain foreign national employees. In addition, Occidental also provides medical and other benefits for certain active, retired and disabled employees and their eligible dependents.

In conjunction with the Acquisition, Occidental acquired certain Anadarko contributory and non-contributory defined benefit pension plans, which include both qualified and supplemental plans and plans that provide health care and life insurance benefits for certain retired employees. The Anadarko pension and postretirement obligations were remeasured as of the Acquisition date. The remeasurement resulted in an increase to the benefit obligation of \$193 million.

Effective as of June 30, 2020 the defined benefit pension plans and certain of the supplemental plans covering active Anadarko employees were frozen. This resulted in a decrease to the benefit obligation of approximately \$278 million, including a curtailment gain of approximately \$124 million and a corresponding offset to accumulated other comprehensive income of approximately \$154 million.

DEFINED CONTRIBUTION PLANS

All domestic employees and certain foreign national employees are eligible to participate in one or more of the defined contribution retirement or savings plans that provide for periodic contributions by Occidental based on plan-specific criteria, such as base pay, level and employee contributions. Certain salaried employees participate in a supplemental retirement plan that restores benefits lost due to governmental limitations on qualified retirement benefits. The accrued liabilities for the supplemental retirement plan were \$239 million and \$261 million as of December 31, 2020, and 2019, respectively. Occidental expensed \$192 million in 2020, \$192 million in 2019 and \$152 million in 2018 under the provisions of these defined contribution and supplemental retirement plans.

DEFINED BENEFIT PLANS

Participation in defined benefit plans is limited. Approximately 400 domestic and 300 foreign national employees, mainly union, nonunion hourly and certain employees that joined Occidental from acquired operations with grandfathered benefits, are currently accruing benefits under these plans.

Pension costs for Occidental's defined benefit pension plans, determined by independent actuarial valuations, are generally funded by payments to trust funds, which are administered by independent trustees.

POSTRETIREMENT AND OTHER BENEFIT PLANS

Occidental provides medical and dental benefits and life insurance coverage for certain active, retired and disabled employees and their eligible dependents. Occidental generally funds the benefits as they are paid during the year. These

benefit costs, including the postretirement costs, were approximately \$235 million in 2020, \$220 million in 2019 and \$182 million in 2018.

OBLIGATIONS AND FUNDED STATUS

The following tables show the amounts recognized in Occidental's consolidated balance sheets at December 31, 2020 and 2019, related to its pension and postretirement benefit plans:

<i>millions</i>	Pension Benefits		Postretirement Benefits	
	2020	2019	2020	2019
Amounts recognized in the consolidated balance sheet:				
Long-term receivables and other assets, net	\$ 167	\$ 149	\$ —	\$ —
Accrued liabilities	(9)	(96)	(74)	(72)
Deferred credits and other liabilities — pension and postretirement obligations	(578)	(720)	(1,185)	(1,103)
	\$ (420)	\$ (667)	\$ (1,259)	\$ (1,175)
Accumulated other comprehensive loss included the following after-tax balances:				
Net (gain) loss	\$ (3)	\$ (20)	\$ 226	\$ 184
Prior service credit	—	—	(60)	(67)
	\$ (3)	\$ (20)	\$ 166	\$ 117

The following tables show the funding status, obligations and plan asset fair values of Occidental related to its pension and postretirement benefit plans for the years ended December 31:

<i>millions</i>	Pension Benefits		Postretirement Benefits	
	2020	2019	2020	2019
Changes in the benefit obligation:				
Benefit obligation — beginning of year	\$ 2,508	\$ 499	\$ 1,175	\$ 808
Service cost — benefits earned during the period	37	47	39	24
Interest cost on projected benefit obligation	52	40	37	36
Actuarial (gain) loss	251	(41)	73	45
Curtailement (gain) loss	(278)	(136)	2	10
Special termination benefits	23	49	—	—
Benefits paid	(948)	(99)	(73)	(51)
Sale of Colombia assets	(24)	—	—	—
Additions due to the Acquisition	—	2,136	—	301
Other	(8)	13	6	2
Benefit obligation — end of year	\$ 1,613	\$ 2,508	\$ 1,259	\$ 1,175
Changes in plan assets:				
Fair value of plan assets — beginning of year	\$ 1,841	\$ 539	\$ —	\$ —
Actual return on plan assets	161	110	—	—
Employer contributions	146	41	67	49
Benefits paid	(948)	(99)	(73)	(51)
Additions due to the Acquisition	—	1,233	—	—
Other	(7)	17	6	2
Fair value of plan assets — end of year	\$ 1,193	\$ 1,841	\$ —	\$ —
Unfunded status:	\$ (420)	\$ (667)	\$ (1,259)	\$ (1,175)

Changes in actuarial gains and losses in the projected benefit obligation are primarily driven by discount rate movement. The following table sets forth details of the obligations and assets of Occidental's defined benefit pension plans for the years December 31:

<i>millions</i>	Accumulated Benefit Obligation in Excess of Plan Assets		Plan Assets in Excess of Accumulated Benefit Obligation	
	2020	2019	2020	2019
Projected benefit obligation	\$ 1,226	\$ 2,191	\$ 387	\$ 317
Accumulated benefit obligation	\$ 1,221	\$ 1,931	\$ 379	\$ 311
Fair value of plan assets	\$ 670	\$ 1,375	\$ 523	\$ 466

COMPONENTS OF NET PERIODIC BENEFIT COST

The following table sets forth the components of net periodic benefit costs for the years ended December 31:

<i>millions</i>	Pension Benefits			Postretirement Benefits		
	2020	2019	2018	2020	2019	2018
Net periodic benefit costs:						
Service cost — benefits earned during the period	\$ 37	\$ 47	\$ 5	\$ 39	\$ 24	\$ 23
Interest cost on projected benefit obligation	52	40	15	37	36	34
Expected return on plan assets	(73)	(52)	(25)	—	—	—
Recognized actuarial loss	5	9	7	11	8	14
Recognized prior service credit	—	—	—	(8)	(8)	—
(Gain) loss due to curtailment	(124)	(91)	—	2	6	—
Gain due to settlement	(19)	—	—	—	—	—
Special termination benefits	22	49	—	—	—	—
Other costs and adjustments	1	(2)	1	—	—	(2)
Net periodic benefit cost	\$ (99)	\$ —	\$ 3	\$ 81	\$ 66	\$ 69

The service cost component of net periodic benefit cost is included in selling, general and administrative, oil and gas operating expense, chemical and midstream costs and exploration expense on Occidental's Consolidated Statements of Operations. All other components of net periodic benefit cost are included in other operating and non-operating expense.

ADDITIONAL INFORMATION

The following table sets forth the weighted-average assumptions used to determine Occidental's benefit obligation and net periodic benefit cost for domestic plans for the years ended December 31:

	Pension Benefits		Postretirement Benefits	
	2020	2019	2020	2019
Benefit Obligation Assumptions:				
Discount rate	2.19 %	3.09 %	3.05 %	3.26 %
Rate of increase in compensation levels	5.07 %	5.32 %	—	—
Net Periodic Benefit Cost Assumptions:				
Discount rate	3.04 %	3.22 %	3.26 %	3.41 %
Rate of increase in compensation levels	5.34 %	5.35 %	—	—
Assumed long-term rate of return on assets	6.02 %	6.03 %	—	—

For domestic pension plans and postretirement benefit plans, Occidental based the discount rate on a AA-AAA Universe yield curve in 2020 and 2019. The assumed long-term rate of return on assets is estimated with regard to current market

factors but within the context of historical returns for the asset mix that exists at year end. Assumed rates of compensation increases for active participants in certain plans and vary by age group.

In 2020, Occidental adopted the Society of Actuaries Pri-2012 Private Retirement Plans Mortality Tables with MP-2020 Mortality Improvement Scale, which updated the mortality assumptions that private defined-benefit plans in the United States use in the actuarial valuations that determine a plan sponsor's pension obligations. The new mortality assumption reflects additional data that the Social Security Administration has released since the previous mortality tables and improvement scales were released. The changes in the mortality improvement scale results in a decrease of \$8 million and \$12 million in the pension and postretirement benefit obligation, respectively, at December 31, 2020.

The postretirement benefit obligation was determined by application of the terms of medical and dental benefits and life insurance coverage, including the effect of established maximums on covered costs, together with relevant actuarial assumptions and health care cost trend rates. Health care cost trend rates for Medicare advantaged prescription drug (MAPD) plans of 9.6% starting in 2021, then grading down to 4.5% in 2028 and beyond. Health care cost trend rates used for non-MAPD plans are 6.5% to 7.0% in 2020, then grading down to 4.5% in 2028 and beyond.

The actuarial assumptions used could change in the near-term as a result of changes in expected future trends and other factors that, depending on the nature of the changes, could cause increases or decreases in the plan assets and liabilities.

FAIR VALUE OF PENSION PLAN ASSETS

Qualified defined benefit plan assets are monitored by Occidental's Pension and Retirement Trust and Investment Committee in its role as a fiduciary. The Investment Committee selects and employs various external professional investment management firms to manage specific investments across the spectrum of asset classes. The Investment Committee employs a liability driven investment approach that uses a diversified blend of investments (equity securities, fixed-income securities, and alternative investments) along a glide path to optimize the long-term return of plan assets relative to plan liabilities, at a prudent level of risk. Equity investments are diversified across U.S. and non-U.S. stocks, as well as differing styles and market capitalizations. Investment performance is measured and monitored on an ongoing basis through quarterly investment portfolio and manager guideline compliance reviews, annual liability measurements and periodic studies.

The fair values of Occidental's pension plan assets by asset category were as follows:

<i>millions</i>	Level 1	Level 2	Level 3	Total
December 31, 2020				
Asset Class:				
Cash and cash equivalents	\$ 38	\$ —	\$ —	\$ 38
Government securities	65	—	—	65
Corporate bonds ^(a)	—	39	—	39
Equity securities ^(b)	138	—	—	138
Other	—	55	—	55
Investments measured at fair value	\$ 241	\$ 94	\$ —	\$ 335
Investments measured at net asset value ^(c)	—	—	—	861
Total pension plan assets ^(d)	\$ 241	\$ 94	\$ —	\$ 1,196
December 31, 2019				
Asset Class:				
Cash and cash equivalents	\$ 42	\$ —	\$ —	\$ 42
Government securities	63	—	—	63
Corporate bonds ^(a)	—	94	—	94
Equity securities ^(b)	311	—	—	311
Other	—	81	—	81
Investments measured at fair value	\$ 416	\$ 175	\$ —	\$ 591
Investments measured at net asset value ^(c)	—	—	—	1,253
Total pension plan assets ^(d)	\$ 416	\$ 175	\$ —	\$ 1,844

^(a) This category represents investment grade bonds of U.S. and non-U.S. issuers from diverse industries.

^(b) This category represents direct investments in mutual funds and common and preferred stocks from diverse U.S. and non-U.S. industries.

- (c) Certain investments measured at fair value using the net asset value per share (or its equivalent) have not been categorized in the fair value hierarchy. Amounts presented in this table are intended to reconcile the fair value hierarchy to the pension plan assets.
- (d) Amounts exclude net payables of approximately \$3 million as of December 31, 2020 and 2019.

Occidental expects to contribute at least approximately \$170 million in cash to its defined benefit pensions plans during 2021.

Estimated future benefit payments, which reflect expected future service, as appropriate, are as follows for the years ended December 31:

<i>millions</i>	Pension Benefits	Postretirement Benefits
2021	\$ 251	\$ 75
2022	96	73
2023	93	71
2024	95	69
2025	90	67
2026 - 2030	399	312

NOTE 16 - INVESTMENTS AND RELATED-PARTY TRANSACTIONS

EQUITY INVESTMENTS

As of December 31, 2020, and 2019, investments in unconsolidated entities were \$3.3 billion and \$6.4 billion, respectively. As of December 31, 2020, Occidental's significant equity investments primarily consisted of the following:

<i>millions</i>	% Interest	Carrying amount
WES ^(a)	53.5 %	\$ 1,930
OxyChem Ingleside Facility	50.0 %	635
Dolphin Energy Limited	24.5 %	290
Other	various	395
Total		\$ 3,250

- (a) During most of 2019, WES was a consolidated variable interest entity. On December 31, 2019, Occidental unconsolidated WES. See [Note 1 - Summary of Significant Accounting Policies](#) for more information on the accounting treatment and resulting equity interest. In the first quarter of 2020, Occidental recorded an impairment of \$1.2 billion in goodwill related to its ownership in WES and in the third quarter of 2020, recorded an other than temporary impairment of \$2.7 billion related to the WES equity method investment. See [Note 17 - Fair Value Measurements](#) for more information on the impairments.

As of December 31, 2020 and 2019, Occidental's significant equity investments consisted of investments in WES, OxyChem Ingleside Facility and Dolphin Energy Limited.

As part of the Acquisition, Occidental acquired equity investments in certain oil and gas properties and gathering and processing assets and assumed an associated notes payable which Occidental has the legal right of setoff and intends to net settle with its ownership interest in the equity investments. The notes payable can be net settled starting in 2022. The carrying value of the investment and note payable were \$2.9 billion at December 31, 2020, respectively. Accordingly, the equity investments and the related notes payable are presented net on the Consolidated Balance Sheets.

Dividends received from equity investments were \$678 million, \$422 million and \$329 million to Occidental in 2020, 2019 and 2018, respectively. As of December 31, 2020 and 2019, cumulative undistributed earnings of equity-method investees since they were acquired was \$166 million and \$40 million, respectively. As of December 31, 2020, Occidental's investments in equity investees exceeded the underlying equity in net assets by approximately \$649 million, of which, \$326 million represented property, plant and equipment and equity investments with the remainder comprised of intangibles, both are subject to amortization over their estimated average lives.

The following table presents the summarized financial information of its equity-method investments combined for the years ended and as of December 31:

<i>millions</i>	2020		2019		2018	
Summarized Results of Operations ^(a)						
Revenues and other income	\$	5,455	\$	26,520	\$	28,091
Costs and expenses		5,455		24,084		25,029
Net income	\$	—	\$	2,436	\$	3,062
Summarized Balance Sheet						
Current assets	\$	1,419	\$	1,130	\$	5,587
Non-current assets	\$	18,693	\$	21,158	\$	25,871
Current liabilities	\$	1,549	\$	785	\$	4,879
Long-term debt	\$	7,860	\$	8,673	\$	12,505
Other non-current liabilities	\$	866	\$	859	\$	95
Stockholders' equity	\$	9,837	\$	11,971	\$	13,979

^(a) The 2019 Summarized Results of Operations include results of Plains for the period beginning January 1, 2019 through the date Occidental's interest was sold in September 2019. Plains accounted for \$24.7 billion of equity-method investment revenues and other income in 2019.

RELATED-PARTY TRANSACTIONS

From time to time, Occidental purchases oil, NGL, power, steam and chemicals from and sells oil, NGL, natural gas, chemicals and power to certain of its equity investees and other related parties. During 2020, 2019 and 2018, Occidental entered into the following related-party transactions and had the following amounts due from or to its related parties for the years ended December 31:

<i>millions</i>	2020		2019		2018	
Sales ^(a,c)	\$	301	\$	691	\$	805
Purchases ^(b,c)	\$	1,112	\$	463	\$	502
Services ^(d)	\$	1,032	\$	28	\$	52
Advances and amounts due from related parties	\$	54	\$	133	\$	63
Amounts due to related parties	\$	273	\$	463	\$	46

^(a) In 2020, sales of Occidental-produced NGL and marketing fees to WES accounted for 70% of these totals. In 2019 and 2018, sales of Occidental-produced oil and NGL to Plains Pipeline affiliates accounted for 87% and 89% of these totals, respectively. In September 2019, Occidental sold its equity investment in Plains. See [Note 4 - Divestitures and Other Transactions](#) for additional information.

^(b) In 2020, purchases of gas and NGL marketed on behalf of WES accounted for 59% of related-party purchases. In 2020, 2019 and 2018, purchases of ethylene from the Ingleside ethylene cracker accounted for 41%, 98% and 98% of related-party purchases, respectively.

^(c) Excluded sales to and purchases from WES in 2019 as it was a consolidated subsidiary from the date of the Acquisition through December 31, 2019.

^(d) In 2020, services primarily relates to fees charged by WES to gather, process and treat Occidental produced oil, NGL and natural gas.

NOTE 17 - FAIR VALUE MEASUREMENTS

FAIR VALUES – RECURRING

In January 2012, Occidental entered into a long-term contract to purchase CO₂. This contract contains a price adjustment clause that is linked to changes in NYMEX oil prices. Occidental determined that the portion of this contract linked to NYMEX oil prices is not clearly and closely related to the host contract, and Occidental therefore bifurcated this embedded pricing feature from its host contract and accounts for it at fair value in the consolidated financial statements.

The following tables provide fair value measurement information for assets and liabilities that are measured on a recurring basis:

<i>millions</i>	Fair Value Measurements Using			Netting and Collateral	Total Fair Value
	Level 1	Level 2	Level 3		
Embedded derivatives					
December 31, 2020					
Accrued liabilities	\$ —	\$ 64	\$ —	\$ —	\$ 64
December 31, 2019					
Accrued liabilities	\$ —	\$ 40	\$ —	\$ —	\$ 40
Deferred credits and other liabilities - other	\$ —	\$ 49	\$ —	\$ —	\$ 49

FAIR VALUES – NONRECURRING

The table below summarizes the significant impairments and other charges incurred to measure assets to their fair value on a nonrecurring basis throughout the year ended December 31, 2020:

<i>millions</i>	Total Fair Value
Asset impairments and other charges	
Goodwill	\$ 1,153
Oil and gas properties - proved	\$ 2,436
Oil and gas properties - unproved	\$ 4,591
Oil and gas properties - discontinued operations	\$ 2,191
WES equity investment	\$ 2,673

GOODWILL

As of December 31, 2019, Occidental had \$1.2 billion of goodwill related to its ownership in WES, which was included in long-term receivables and other assets, net. Significant declines in the market value of WES' publicly traded units resulted in management's determination that, more likely than not, the fair value of the reporting unit was significantly less than its carrying value and the remaining \$1.2 billion in goodwill was fully impaired in the first quarter of 2020. The market value of WES' publicly traded units is considered a Level 1 input.

OIL AND GAS PROPERTIES

In the second quarter 2020, as a result of the expected prolonged period of lower commodity prices brought on by the COVID-19 pandemic's impact on oil demand, Occidental tested substantially all of its oil and gas assets for impairment. Occidental recognized total pre-tax impairments to its oil and gas proved and unproved properties of \$8.6 billion, of which \$6.4 billion is included in oil and gas segment results and \$2.2 billion (\$1.4 billion net of tax) related to Ghana is included in discontinued operations.

In the second quarter 2020, Occidental recorded proved property pre-tax impairments of \$1.2 billion primarily related to certain assets for its domestic onshore and Gulf of Mexico assets and \$0.9 billion to adjust the Algeria oil and gas proved properties to their fair value. The fair value of the proved properties was measured based on the income approach.

Unproved property pre-tax impairments of \$4.3 billion were primarily related to domestic onshore unproved acreage. The fair value of this acreage was measured based on a market approach using an implied acreage valuation derived from domestic onshore market participants excluding the fair value assigned to proved properties.

Income approaches are considered Level 3 fair value estimates and include significant assumptions of future production and timing of production, commodity price assumptions and operating and capital cost estimates, discounted using a 10 percent weighted average cost of capital. Taxes were based on current statutory rates. Future production and timing of production is based on internal reserves estimates and internal economic models for a specific oil and gas asset. Internal reserve estimates consist of proved reserves and unproved reserves, the latter adjusted for uncertainty based on reserve category. Price assumptions were based on a combination of market information and published industry resources adjusted for historical differentials. Price assumptions ranged from approximately \$40 per barrel of oil in 2020 increasing to approximately \$70 per barrel of oil in 2034, with an unweighted arithmetic average price of \$59.17 and \$62.42 for WTI and Brent indexed assets for the 15 year period, respectively. Natural gas prices ranged from approximately \$2.00 per Mcf in 2020 to approximately \$3.60 per Mcf in 2034, with an unweighted arithmetic average price of \$3.13 for NYMEX based assets for the 15 year period. Both oil and natural gas commodity prices were held flat after 2034 and were adjusted for location and quality differentials. Operating and capital cost estimates were based on current observable costs and were

further escalated 1 percent in every period where commodity prices exceeded \$50 per barrel and 2 percent in every period where commodity prices exceeded \$60 per barrel. The weighted average cost of capital is calculated based on industry peers and best approximates the cost of capital an external market participant would expect to obtain.

In the first quarter 2020, Occidental's oil and gas segment recognized pre-tax impairment and related charges of \$581 million primarily related to both proved and unproved oil and gas properties and a lower of cost or net realizable value adjustment for crude inventory. Occidental recorded proved property impairments of \$293 million related to certain international assets and the Gulf of Mexico. Occidental recorded unproved property impairments, of approximately \$241 million, primarily related to domestic onshore undeveloped leases and offshore Gulf of Mexico where Occidental no longer intends to pursue exploration, appraisal or development activities primarily due to the reduction in near-term capital plans.

If there is a further worsening of the macroeconomic conditions and if such worsened conditions are expected to be prolonged, Occidental's oil and gas properties may be subject to further testing for impairment, which could result in additional non-cash asset impairments. Such impairments could be material to our financial statements.

WES EQUITY INVESTMENT

At the end of the third quarter 2020, Occidental recorded an other-than-temporary impairment of \$2.7 billion, as the fair value of Occidental's investment in WES has remained significantly lower than its book value for the majority of the nine months ended September 30, 2020. Occidental concluded that the difference between the fair value and book value of WES was not temporary, primarily given both the magnitude and the duration that the fair value was below its book value. This other-than-temporary impairment was calculated based on the closing market price of WES as of September 30, 2020. The market value of WES' publicly traded common units is considered a Level 1 input.

2019

During 2019, Occidental measured assets and liabilities at acquisition-date fair value on a nonrecurring basis related to the Acquisition. See [Note 3 - The Acquisition](#) for more detail.

In 2019, Occidental recorded a \$1 billion charge as a result of recording Occidental's equity investment in WES at fair value upon loss of control, see [Note 1 - Summary of Significant Accounting Policies](#). Additionally, Occidental's oil and gas segment recognized pre-tax impairment and related charges of \$285 million related to domestic undeveloped leases that were set to expire in the near-term, where Occidental had no plans to pursue exploration activities, and \$39 million related to Occidental's mutually agreed early termination of its Qatar ISSD contract.

2018

During 2018, Occidental recognized pre-tax impairment and related charges of \$416 million primarily related to Qatar ISND and ISSD proved properties and inventory. The fair value of the proved properties was measured based on the income approach, which incorporated a number of assumptions involving expectations of future cash flows.

FINANCIAL INSTRUMENTS FAIR VALUE

The carrying amounts of cash, cash equivalents, restricted cash, restricted cash equivalents and other on-balance sheet financial instruments, other than fixed-rate debt, approximate fair value. See [Note 7 - Long-term Debt](#) for the fair value of Long-term debt.

NOTE 18 - INDUSTRY SEGMENTS AND GEOGRAPHIC AREAS

Occidental conducts its operations through three segments: (1) oil and gas; (2) chemical; and (3) midstream and marketing. The factors used to identify these segments are based on the nature of the operations that are undertaken in each segment. Income taxes, interest income, interest expense, environmental remediation expenses, Anadarko Acquisition-related costs and unallocated corporate expenses are included under Corporate and Eliminations. 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. Identifiable assets are those assets used in the operations of the segments. Corporate assets consist of cash and restricted cash, certain corporate receivables and PP&E. The chief operating decision maker analyzes each segment's operating results to make decisions about resources to be allocated to the segment and to assess its performance as well as Occidental's overall performance.

	Oil and gas	Chemical	Midstream and marketing	Corporate and eliminations	Total
Year ended December 31, 2020					
Net sales	\$ 13,066	\$ 3,733	\$ 1,768	\$ (758)	\$ 17,809
Income (loss) from continuing operations before income taxes	\$ (9,632) ^(a)	\$ 664	\$ (4,175) ^(b)	\$ (2,562) ^(c)	\$ (15,705)
Income tax benefit	—	—	—	2,172 ^(d)	2,172
Income (loss) from continuing operations	\$ (9,632)	\$ 664	\$ (4,175)	\$ (390)	\$ (13,533)
Investments in unconsolidated entities	\$ 168	\$ 645	\$ 2,437	\$ —	\$ 3,250
Property, plant and equipment additions ^(e)	\$ 2,279	\$ 261	\$ 50	\$ 29	\$ 2,619
Depreciation, depletion and amortization	\$ 7,414	\$ 356	\$ 312	\$ 15	\$ 8,097
Total assets	\$ 62,931	\$ 4,326	\$ 9,856	\$ 2,951	\$ 80,064
Year ended December 31, 2019					
Net sales	\$ 13,941	\$ 4,102	\$ 4,132	\$ (1,264)	\$ 20,911
Income (loss) from continuing operations before income taxes	\$ 2,520 ^(a)	\$ 799	\$ 241 ^(b)	\$ (3,206) ^(c)	\$ 354
Income tax expense	—	—	—	(861) ^(d)	(861)
Income (loss) from continuing operations	\$ 2,520	\$ 799	\$ 241	\$ (4,067)	\$ (507)
Investments in unconsolidated entities	\$ 181	\$ 689	\$ 5,519	\$ —	\$ 6,389
Property, plant and equipment additions ^(e)	\$ 5,571	\$ 272	\$ 475	\$ 135	\$ 6,453
Depreciation, depletion and amortization	\$ 5,153	\$ 368	\$ 563	\$ 56	\$ 6,140
Total assets	\$ 80,093	\$ 4,361	\$ 14,915	\$ 7,821	\$ 107,190
Year ended December 31, 2018					
Net sales	\$ 10,441	\$ 4,657	\$ 3,656	\$ (930)	\$ 17,824
Income (loss) from continuing operations before income taxes	\$ 2,442 ^(a)	\$ 1,159	\$ 2,802 ^(b)	\$ (795)	\$ 5,608
Income tax expense	—	—	—	(1,477) ^(d)	(1,477)
Income (loss) from continuing operations	\$ 2,442	\$ 1,159	\$ 2,802	\$ (2,272)	\$ 4,131
Investments in unconsolidated entities	\$ —	\$ 733	\$ 947	\$ —	\$ 1,680
Property, plant and equipment additions ^(e)	\$ 4,443	\$ 277	\$ 221	\$ 79	\$ 5,020
Depreciation, depletion and amortization	\$ 3,254	\$ 354	\$ 331	\$ 38	\$ 3,977
Total assets	\$ 24,874	\$ 4,359	\$ 9,392	\$ 3,534	\$ 42,159

^(a) The 2020 amount included \$7.1 billion related to asset impairments and net asset sale losses of \$1.6 billion, partially offset by a \$1.1 billion gain on the oil and gas collars and calls. The 2019 amount included a net gain on sale of \$475 million related to Occidental's joint venture with Ecopetrol in the Midland Basin and sale of real estate assets, a \$285 million impairment charge associated with domestic undeveloped leases that were set to expire in the near-term, where Occidental had no plans to pursue exploration activities, and a \$39 million charge related to Occidental's mutually agreed early termination of its Qatar ISSD contract. The 2018 amount included \$416 million for the impairment of proved oil properties and inventory in Qatar ISND and ISSD due to the decline in oil prices.

^(b) The 2020 amount included \$2.7 billion of other-than-temporary impairment of WES equity investment and \$1.4 billion of impairments related to the write-off of goodwill and a \$236 million loss from an equity investment related to WES' write-off of its goodwill. The 2019 amount included a \$1 billion charge as a result of recording Occidental's investment in WES at fair value as of December 31, 2019 upon the loss of control, a \$114 million gain on the sale of an equity investment in Plains and a \$30 million mark-to-market gain on an interest rate swap for WES. The 2018 amount included pre-tax asset sale gains of \$907 million on the sale of non-core domestic midstream assets.

^(c) The 2020 amount included \$339 million in expenses related to Anadarko Acquisition-related costs and a \$428 million loss on interest rate swaps. The 2019 amount included corporate transactions related to the Acquisition including charges of \$1.0 billion related to employee severance and related costs, \$401 million related to crucial seismic data and \$213 million for bank, legal and consulting fees. There were no significant corporate transactions and events affecting 2018 results. The tax effect of these pre-tax adjustments was a \$1.9 billion benefit in 2020, a \$245 million benefit in 2019, and \$198 million expense in 2018.

^(d) Included all foreign and domestic income taxes from continuing operations.

^(e) Included capital expenditures and capitalized interest, but excluded acquisition and disposition of assets.

GEOGRAPHIC AREAS

<i>millions</i> For the years ended December 31,	Property, plant and equipment, net		
	2020	2019	2018
United States	\$ 59,016	\$ 72,808	\$ 23,594
International			
United Arab Emirates	3,737	3,886	4,051
Oman	1,901	2,115	2,048
Algeria	664	1,761	—
Colombia	—	1,010	927
Qatar	510	563	741
Other International	61	87	76
Total International	6,873	9,422	7,843
Total	\$ 65,889	\$ 82,230	\$ 31,437



Quarterly Financial Data

Occidental Petroleum Corporation
and Subsidiaries

<i>millions except per-share amounts</i>	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
2020				
Segment net sales				
Oil and gas	\$ 5,060	\$ 2,040	\$ 2,989	\$ 2,977
Chemical	962	846	937	988
Midstream and marketing	790	204	364	410
Eliminations	(199)	(162)	(182)	(215)
Net sales	\$ 6,613	\$ 2,928	\$ 4,108	\$ 4,160
Gross profit	\$ 1,440	\$ (1,048)	\$ 63	\$ 167
Segment earnings				
Oil and gas	\$ 236	\$ (7,734)	\$ (1,072)	\$ (1,062)
Chemical	186	108	178	192
Midstream and marketing	(1,287)	(7)	(2,791)	(90)
Total segment earnings	\$ (865)	\$ (7,633)	\$ (3,685)	\$ (960)
Unallocated corporate items				
Interest expense, net	(352)	(310)	(353)	(409)
Income tax benefit	25	1,468	403	276
Other	(821)	(241)	(20)	(56)
Loss from continuing operations	\$ (2,013)	\$ (6,716)	\$ (3,655)	\$ (1,149)
Discontinued operations, net of taxes	—	(1,415)	80	37
Net Loss	\$ (2,013)	\$ (8,131)	\$ (3,575)	\$ (1,112)
Less: Preferred stock dividend	(219)	(222)	(203)	(200)
Net loss attributable to common stockholders	\$ (2,232)	\$ (8,353)	\$ (3,778)	\$ (1,312)
Basic loss per common share	\$ (2.49)	\$ (9.12)	\$ (4.07)	\$ (1.41)
Diluted loss per common share	\$ (2.49)	\$ (9.12)	\$ (4.07)	\$ (1.41)
Dividends per common share	\$ 0.79	\$ 0.01	\$ 0.01	\$ 0.01
2019				
Segment net sales				
Oil and gas	\$ 2,351	\$ 2,718	\$ 3,993	\$ 4,879
Chemical	1,059	998	1,071	974
Midstream and marketing ^(a)	816	909	1,163	1,244
Eliminations	(222)	(205)	(368)	(469)
Net sales	\$ 4,004	\$ 4,420	\$ 5,859	\$ 6,628
Gross profit	\$ 1,210	\$ 1,449	\$ 1,471	\$ 1,414
Segment earnings				
Oil and gas	\$ 484	\$ 726	\$ 268	\$ 1,042
Chemical	265	208	207	119
Midstream and marketing ^(a)	279	331	400	(769)
Total segment earnings	\$ 1,028	\$ 1,265	\$ 875	\$ 392
Unallocated corporate items				
Interest expense, net	(83)	(143)	(360)	(416)
Income tax expense	(225)	(306)	(163)	(167)
Other	(89)	(181)	(1,089)	(845)
Income (loss) from continuing operations	\$ 631	\$ 635	\$ (737)	\$ (1,036)
Discontinued operations, net of taxes	—	—	(15)	—
Net Income (loss)	\$ 631	\$ 635	\$ (752)	\$ (1,036)
Less: Net income attributable to noncontrolling interests	—	—	(42)	(103)
Less: Preferred stock dividend	—	—	(118)	(200)
Net income (loss) attributable to common stockholders	\$ 631	\$ 635	\$ (912)	\$ (1,339)
Basic earnings (loss) per common share	\$ 0.84	\$ 0.84	\$ (1.08)	\$ (1.50)
Diluted earnings (loss) per common share	\$ 0.84	\$ 0.84	\$ (1.08)	\$ (1.50)
Dividends per common share	\$ 0.78	\$ 0.78	\$ 0.79	\$ 0.79

^(a) Midstream and marketing segment net sales and earnings include the results of WES from the Acquisition date to the loss of control date.



Supplemental Oil and Gas Information

OIL AND GAS RESERVES

The following tables set forth Occidental's net interests in quantities of proved developed and undeveloped reserves of oil (including condensate), NGL and natural gas and changes in such quantities. Proved oil, NGL and natural gas reserves were estimated using the unweighted arithmetic average of the first-day-of-the-month price for each month within the year, unless prices were defined by contractual arrangements. Oil, NGL and natural gas prices used for this purpose were based on posted benchmark prices and adjusted for price differentials including gravity, quality and transportation costs. The following table shows the pricing used in the reserve analysis for the periods presented:

		2020		2019		2018
Average WTI Oil (\$/Bbl)	\$	39.57	\$	55.69	\$	65.56
Average Brent Oil (\$/Bbl)	\$	43.41	\$	63.03	\$	72.20
Average Henry Hub Natural Gas (\$/MMbtu)	\$	1.98	\$	2.58	\$	3.10
Average Mt. Belvieu NGL (\$/Bbl)^(a)	\$	18.74		N/A		N/A

^(a) Mt. Belvieu pricing was added as an NGL benchmark beginning in 2020. Prior to 2020, WTI Oil was used as a benchmark for NGL.

Reserves are stated net of applicable royalties. Estimated reserves include Occidental's economic interests under production-sharing contracts (PSCs) and other similar economic arrangements. In addition, discussions of oil and gas production or volumes, in general, refer to sales volumes unless the context requires or it is indicated otherwise.

Prices for oil, NGL and natural gas fluctuate widely. Historically, the markets for oil, NGL and natural gas and refined products have been volatile and may continue to be volatile in the future. Prolonged or further declines in oil, NGL and natural gas prices would continue to reduce Occidental's operating results and cash flows and could impact its future rate of growth and further impact the recoverability of the carrying value of its assets.



OIL RESERVES ^(a)

<i>millions of barrels (MMbbl)</i>	United States	Latin America	Middle East / Africa ^(b)	Total
PROVED DEVELOPED AND UNDEVELOPED RESERVES				
Balance at December 31, 2017	1,107	82	326	1,515
Revisions of previous estimates	15	(2)	(7)	6
Improved recovery	135	23	31	189
Extensions and discoveries	—	4	2	6
Purchases of proved reserves	32	—	—	32
Sales of proved reserves	(12)	—	—	(12)
Production	(91)	(11)	(51)	(153)
Balance at December 31, 2018	1,186	96	301	1,583
Revisions of previous estimates	(154)	3	8	(143)
Improved recovery	128	12	25	165
Extensions and discoveries	37	2	2	41
Purchases of proved reserves	545	—	84	629
Sales of proved reserves	(17)	—	—	(17)
Production	(155)	(12)	(52)	(219)
Balance at December 31, 2019	1,570	101	368	2,039
Revisions of previous estimates ^(c)	(283)	12	(13)	(284)
Improved recovery	82	—	18	100
Extensions and discoveries	9	—	5	14
Purchases of proved reserves	2	—	—	2
Sales of proved reserves	(31)	(101)	—	(132)
Production	(205)	(12)	(47)	(264)
Balance at December 31, 2020	1,144	—	331	1,475
PROVED DEVELOPED RESERVES				
December 31, 2017	772	77	279	1,128
December 31, 2018	843	77	240	1,160
December 31, 2019	1,206	76	295	1,577
December 31, 2020 ^(d)	917	—	251	1,168
PROVED UNDEVELOPED RESERVES				
December 31, 2017	335	5	47	387
December 31, 2018	343	19	61	423
December 31, 2019	364	25	73	462
December 31, 2020	227	—	80	307

^(a) Excluded reserve amounts related to the held for sale assets. Reserves related to the Algeria assets have been reclassified and included in prior and the current periods.

^(b) Over half of the proved reserve amounts relate to PSCs.

^(c) Revisions of previous estimates in 2020 reflected negative price revisions of 185 MMboe, primarily in the Permian Basin (180 MMboe) and the DJ Basin (20 MMboe), partially offset by positive price revisions of 28 MMboe on PSCs. Another 127 MMboe in negative revisions were related to changes in development plans primarily in the Permian Basin, which were offset by 23 MMboe in positive revisions related to updates based on reservoir performance.

^(d) Approximately 11% of the proved developed reserves at December 31, 2020, are nonproducing, primarily associated with the Permian Basin and Oman.



NGL RESERVES ^(a)

<i>millions of barrels (MMbbl)</i>	United States	Latin America	Middle East / Africa	Total
PROVED DEVELOPED AND UNDEVELOPED RESERVES				
Balance at December 31, 2017	247	—	198	445
Revisions of previous estimates	7	—	15	22
Improved recovery	47	—	—	47
Extensions and discoveries	—	—	—	—
Purchases of proved reserves	11	—	—	11
Sales of proved reserves	(3)	—	—	(3)
Production	(25)	—	(11)	(36)
Balance at December 31, 2018	284	—	202	486
Revisions of previous estimates	(21)	—	9	(12)
Improved recovery	58	—	—	58
Extensions and discoveries	11	—	—	11
Purchases of proved reserves	267	—	10	277
Sales of proved reserves	(7)	—	—	(7)
Production	(52)	—	(13)	(65)
Balance at December 31, 2019	540	—	208	748
Revisions of previous estimates ^(b)	(90)	—	10	(80)
Improved recovery	32	—	10	42
Extensions and discoveries	2	—	—	2
Purchases of proved reserves	1	—	—	1
Sales of proved reserves	(20)	—	—	(20)
Production	(81)	—	(13)	(94)
Balance at December 31, 2020	384	—	215	599
PROVED DEVELOPED RESERVES				
December 31, 2017	161	—	153	314
December 31, 2018	196	—	145	341
December 31, 2019	406	—	147	553
December 31, 2020 ^(c)	314	—	138	452
PROVED UNDEVELOPED RESERVES				
December 31, 2017	86	—	45	131
December 31, 2018	88	—	57	145
December 31, 2019	134	—	61	195
December 31, 2020	70	—	77	147

^(a) Excluded reserve amounts related to the held for sale assets. Reserves related to the Algeria assets have been reclassified and included in prior and the current periods.

^(b) Revisions of previous estimates in 2020 reflected negative price revisions of 77 MMboe, primarily in the Permian Basin (56 MMboe) and the DJ Basin (21 MMboe). Another 36 MMboe in negative revisions were related to changes in development plans primarily in the Permian Basin, which were offset by 36 MMboe in positive revisions related to updates based on reservoir performance.

^(c) Approximately 5% of the proved developed reserves at December 31, 2020, are nonproducing, primarily associated with the Permian Basin.



NATURAL GAS RESERVES ^(a)

<i>billions of cubic feet (Bcf)</i>	United States	Latin America	Middle East / Africa ^(b)	Total
PROVED DEVELOPED AND UNDEVELOPED RESERVES				
Balance at December 31, 2017	1,205	12	2,614	3,831
Revisions of previous estimates	(25)	—	191	166
Improved recovery	329	1	17	347
Extensions and discoveries	—	—	4	4
Purchases of proved reserves	69	—	—	69
Sales of proved reserves	(14)	—	—	(14)
Production	(119)	(2)	(187)	(308)
Balance at December 31, 2018	1,445	11	2,639	4,095
Revisions of previous estimates	(409)	(1)	90	(320)
Improved recovery	393	2	30	425
Extensions and discoveries	59	2	3	64
Purchases of proved reserves	2,996	—	—	2,996
Sales of proved reserves	(30)	—	—	(30)
Production	(326)	(2)	(202)	(530)
Balance at December 31, 2019	4,128	12	2,560	6,700
Revisions of previous estimates ^(c)	(823)	(1)	103	(721)
Improved recovery	183	—	103	286
Extensions and discoveries	38	—	—	38
Purchases of proved reserves	4	—	—	4
Sales of proved reserves	(523)	(9)	—	(532)
Production	(561)	(2)	(193)	(756)
Balance at December 31, 2020	2,446	—	2,573	5,019
PROVED DEVELOPED RESERVES				
December 31, 2017	782	11	2,131	2,924
December 31, 2018	978	11	2,015	3,004
December 31, 2019	3,198	11	1,996	5,205
December 31, 2020 ^(d)	2,028	—	1,846	3,874
PROVED UNDEVELOPED RESERVES				
December 31, 2017	423	1	483	907
December 31, 2018	467	—	624	1,091
December 31, 2019	930	1	564	1,495
December 31, 2020	418	—	727	1,145

^(a) Excluded reserve amounts related to the held for sale assets. Reserves related to the Algeria assets have been reclassified and included in prior and the current periods.

^(b) Approximately a quarter of Middle East proved reserves relate to PSCs.

^(c) Revisions of previous estimates in 2020 reflected negative price revisions of 483 Bcf, primarily in the Permian Basin (281 Bcf) and the DJ Basin (210 Bcf), partially offset by positive price revisions of 37 Bcf on PSCs. Another 209 Bcf in negative revisions were related to changes in development plans primarily in the Permian Basin and 7 Bcf in negative revisions related to updates based on reservoir performance.

^(d) Approximately 2% of the proved developed reserves at December 31, 2020, are nonproducing, primarily associated with the Permian Basin, DJ Basin and Oman.



TOTAL RESERVES ^(a)

<i>millions of Boe (MMboe) ^(b)</i>	United States	Latin America	Middle East / Africa	Total ^(c)
PROVED DEVELOPED AND UNDEVELOPED RESERVES				
Balance at December 31, 2017	1,555	84	959	2,598
Revisions of previous estimates	18	(2)	40	56
Improved recovery	237	23	34	294
Extensions and discoveries	—	4	3	7
Purchases of proved reserves	54	—	—	54
Sales of proved reserves	(17)	—	—	(17)
Production	(136)	(11)	(93)	(240)
Balance at December 31, 2018	1,711	98	943	2,752
Revisions of previous estimates	(243)	3	32	(208)
Improved recovery	251	12	30	293
Extensions and discoveries	58	2	3	63
Purchases of proved reserves	1,311	—	94	1,405
Sales of proved reserves	(29)	—	—	(29)
Production	(261)	(12)	(99)	(372)
Balance at December 31, 2019	2,798	103	1,003	3,904
Revisions of previous estimates ^(d)	(510)	12	14	(484)
Improved recovery	145	—	45	190
Extensions and discoveries	17	—	5	22
Purchases of proved reserves	4	—	—	4
Sales of proved reserves	(138)	(103)	—	(241)
Production	(380)	(12)	(92)	(484)
Balance at December 31, 2020	1,936	—	975	2,911
PROVED DEVELOPED RESERVES				
December 31, 2017	1,063	79	786	1,928
December 31, 2018	1,202	79	721	2,002
December 31, 2019	2,145	78	775	2,998
December 31, 2020 ^(e)	1,569	—	697	2,266
PROVED UNDEVELOPED RESERVES				
December 31, 2017	492	5	173	670
December 31, 2018	509	19	222	750
December 31, 2019	653	25	228	906
December 31, 2020	367	—	278	645

^(a) Excluded reserve amounts related to the held for sale assets. Reserves related to the Algeria assets have been reclassified and included in prior and the current periods.

^(b) Natural gas volumes have been converted to Boe based on an energy content of six Mcf of gas to one barrel of oil.

^(c) Included proved reserves related to PSCs and other similar economic arrangements of 0.3 billion Boe at December 31, 2020, and 0.5 billion Boe at December 31, 2019, 2018 and 2017.

^(d) Revisions of previous estimates in 2020 reflected negative price revisions of 342 MMboe, primarily in the Permian Basin (283 MMboe) and the DJ Basin (74 MMboe), partially offset by positive price revisions of 36 MMboe on international production sharing contracts. Another 197 MMboe in negative revisions were related to changes in development plans primarily in the Permian Basin, which were offset by 57 MMboe in positive revisions related to updates based on reservoir performance.

^(e) Approximately 7% of the proved developed reserves at December 31, 2020, are nonproducing, primarily associated with the Permian Basin, Oman and Gulf of Mexico.



CAPITALIZED COSTS

Capitalized costs relating to oil and gas producing activities and related accumulated DD&A were as follows:

<i>millions</i>	United States	Latin America	Middle East / Africa	Total
December 31, 2020				
Proved properties	\$ 63,988	\$ 116	\$ 14,432	\$ 78,536
Unproved properties	23,713	27	178	23,918
Total capitalized costs ^(a)	87,701	143	14,610	102,454
Proved properties depreciation, depletion and amortization	(27,914)	(116)	(11,024)	(39,054)
Unproved properties valuation	(5,285)	(27)	—	(5,312)
Total Accumulated depreciation, depletion and amortization	(33,199)	(143)	(11,024)	(44,366)
Net capitalized costs	\$ 54,502	\$ —	\$ 3,586	\$ 58,088
December 31, 2019				
Proved properties	\$ 59,658	\$ 3,667	\$ 13,707	\$ 77,032
Unproved properties	30,301	36	432	30,769
Total capitalized costs ^(a,b)	89,959	3,703	14,139	107,801
Proved properties depreciation, depletion and amortization	(20,961)	(2,643)	(9,012)	(32,616)
Unproved properties valuation	(1,025)	(27)	(170)	(1,222)
Total Accumulated depreciation, depletion and amortization	(21,986)	(2,670)	(9,182)	(33,838)
Net capitalized costs	\$ 67,973	\$ 1,033	\$ 4,957	\$ 73,963
December 31, 2018				
Proved properties	\$ 35,717	\$ 3,436	\$ 17,302	\$ 56,455
Unproved properties	1,900	43	401	2,344
Total capitalized costs ^(a)	37,617	3,479	17,703	58,799
Proved properties depreciation, depletion and amortization	(17,188)	(2,514)	(14,286)	(33,988)
Unproved properties valuation	(1,200)	(27)	(85)	(1,312)
Total Accumulated depreciation, depletion and amortization	(18,388)	(2,541)	(14,371)	(35,300)
Net capitalized costs	\$ 19,229	\$ 938	\$ 3,332	\$ 23,499

^(a) Included acquisition costs, development costs, capitalized interest and asset retirement obligations. Excluded capitalized costs related to Ghana, which is presented as held for sale. Capitalized costs related to the Algeria assets have been reclassified and included in prior and the current periods.

^(b) \$50.3 billion of capitalized costs are associated with the Acquisition.



COSTS INCURRED

Costs incurred in oil and gas property acquisition, exploration and development activities, whether capitalized or expensed, were as follows:

<i>millions</i>	United States	Latin America	Middle East / Africa	Total
December 31, 2020 ^(a)				
Property acquisition costs				
Proved properties	\$ 7	\$ 2	\$ 33	\$ 42
Unproved properties	41	19	5	65
Exploration costs	117	11	84	212
Development costs	1,376	65	401	1,842
Costs incurred	\$ 1,541	\$ 97	\$ 523	\$ 2,161
December 31, 2019 ^(b)				
Property acquisition costs				
Proved properties	\$ 19,567	\$ 6	\$ 1,909	\$ 21,482
Unproved properties	29,042	1	11	29,054
Exploration costs	307	58	142	507
Development costs	4,449	196	575	5,220
Costs incurred	\$ 53,365	\$ 261	\$ 2,637	\$ 56,263
December 31, 2018				
Property acquisition costs				
Proved properties	\$ 428	\$ —	\$ —	\$ 428
Unproved properties	46	4	2	52
Exploration costs	196	42	44	282
Development costs	3,387	203	698	4,288
Costs incurred	\$ 4,057	\$ 249	\$ 744	\$ 5,050

^(a) Excluded costs incurred related to Ghana, which is presented as held for sale.

^(b) Excluded costs incurred related to the Mozambique (sold 2019), South Africa (sold 2020) and Ghana assets (held for sale). Costs incurred related to the Algeria assets have been reclassified and included to reflect the Algeria operations as continued operations.



RESULTS OF OPERATIONS

Occidental's oil and gas producing activities for continuing operations, which exclude items such as asset divestitures, corporate overhead, interest and royalties, were as follows:

<i>millions</i>	United States		Latin America		Middle East / Africa		Total
FOR THE YEAR ENDED DECEMBER 31, 2020							
Revenues ^(a)	\$	9,058	\$	467	\$	2,480	\$ 12,005
Lease operating costs		2,169		133		788	3,090
Transportation costs		1,425		9		63	1,497
Other operating expenses		960		42		179	1,181
Depreciation, depletion and amortization		6,611		125		678	7,414
Taxes other than on income		503		6		105	614
Exploration expenses		68		10		54	132
Oil and gas mark-to-market - Collars and CO ₂		(1,089)		—		—	(1,089)
Pretax income (loss) before impairments and other charges		(1,589)		142		613	(834)
Asset impairments and other charges		5,973		21		1,187	7,181
Pretax income (loss)		(7,562)		121		(574)	(8,015)
Income tax expense (benefit) ^(b)		(1,663)		65		363	(1,235)
Results of operations ^(c)	\$	(5,899)	\$	56	\$	(937)	\$ (6,780)
FOR THE YEAR ENDED DECEMBER 31, 2019							
Revenues ^(a)	\$	9,497	\$	703	\$	3,853	\$ 14,053
Lease operating costs		2,271		163		940	3,374
Transportation costs		647		5		92	744
Other operating expenses		1,125		51		207	1,383
Depreciation, depletion and amortization		4,113		135		905	5,153
Taxes other than on income		651		8		133	792
Exploration expenses		99		45		103	247
Oil and gas mark-to-market - Collars and CO ₂		15		—		—	15
Pretax income before impairments and other charges		576		296		1,473	2,345
Asset impairments and other charges		288		—		39	327
Pretax income		288		296		1,434	2,018
Income tax expense ^(b)		74		135		802	1,011
Results of operations ^(d)	\$	214	\$	161	\$	632	\$ 1,007
FOR THE YEAR ENDED DECEMBER 31, 2018							
Revenues ^(a)	\$	5,747	\$	731	\$	3,963	\$ 10,441
Lease operating costs		1,675		151		939	2,765
Transportation costs		11		3		98	112
Other operating expenses		676		49		186	911
Depreciation, depletion and amortization		2,321		102		831	3,254
Taxes other than on income		407		6		—	413
Exploration expenses		64		19		27	110
Oil and gas mark-to-market - CO ₂		(4)		—		—	(4)
Pretax income before impairments and other charges		597		401		1,882	2,880
Asset impairments and other charges		32		—		416	448
Pretax income		565		401		1,466	2,432
Income tax expense (benefit) ^(b)		(131)		174		925	968
Results of operations	\$	696	\$	227	\$	541	\$ 1,464

^(a) Revenues are net of royalty payments.

^(b) U.S. federal income taxes reflect certain expenses related to oil and gas activities allocated for U.S. income tax purposes. These amounts are computed using the statutory rate in effect during the period.

^(c) The 2020 results of operations excluded Ghana, which is presented as discontinued operations.

^(d) The 2019 results of operations excluded discontinued operations related to the Mozambique, South Africa and Ghana assets. Results of operations related to the Algeria assets have been reclassified and are included to reflect the Algeria operations as continuing operations.



RESULTS PER UNIT OF PRODUCTION FOR CONTINUING OPERATIONS

\$/Boe ^(a)	United States		Latin America		Middle East / Africa		Total
FOR THE YEAR ENDED DECEMBER 31, 2020							
Revenues ^(b)	\$	23.86	\$	38.59	\$	26.79	\$ 24.79
Lease operating costs		5.71		10.96		8.51	6.38
Transportation costs		3.75		0.73		0.68	3.09
Other operating expenses		2.53		3.48		1.93	2.44
Depreciation, depletion and amortization		17.41		10.33		7.32	15.31
Taxes other than on income		1.32		0.48		1.14	1.27
Exploration expenses		0.18		0.84		0.58	0.27
Oil and gas mark-to-market - Collars and CO ₂		(2.87)		—		—	(2.25)
Pretax income (loss) before impairments and other charges		(4.17)		11.77		6.63	(1.72)
Asset impairments and other charges		15.73		1.75		12.81	14.83
Pretax income (loss)		(19.90)		10.02		(6.18)	(16.55)
Income tax expense (benefit) ^(c)		(4.38)		5.40		3.92	(2.55)
Results of operations ^(d)	\$	(15.52)	\$	4.62	\$	(10.10)	\$ (14.00)
FOR THE YEAR ENDED DECEMBER 31, 2019							
Revenues ^(b)	\$	36.43	\$	56.70	\$	38.97	\$ 37.78
Lease operating costs		8.71		13.18		9.51	9.07
Transportation costs		2.48		0.34		0.93	2.00
Other operating expenses		4.32		4.15		2.10	3.72
Depreciation, depletion and amortization		15.78		10.85		9.15	13.85
Taxes other than on income		2.50		0.63		1.35	2.13
Exploration expenses		0.38		3.66		1.01	0.66
Oil and gas mark-to-market - CO ₂		0.06		—		—	0.04
Pretax income before impairments and other charges		2.20		23.89		14.92	6.31
Asset impairments and other charges		1.11		—		0.43	0.88
Pretax income		1.09		23.89		14.49	5.43
Income tax expense ^(c)		0.29		10.90		8.10	2.72
Results of operations ^(e)	\$	0.80	\$	12.99	\$	6.39	\$ 2.71
FOR THE YEAR ENDED DECEMBER 31, 2018							
Revenues ^(b)	\$	42.30	\$	63.37	\$	42.78	\$ 43.50
Lease operating costs		12.33		13.08		10.14	11.52
Transportation costs		0.08		0.24		1.06	0.47
Other operating expenses		4.98		4.24		2.01	3.79
Depreciation, depletion and amortization		17.08		8.88		8.96	13.56
Taxes other than on income		3.00		0.52		—	1.72
Exploration expenses		0.47		1.65		0.29	0.46
Oil and gas mark-to-market - CO ₂		(0.03)		—		—	(0.01)
Pretax income before impairments and other charges		4.39		34.76		20.32	11.99
Asset impairments and other charges		0.24		—		4.49	1.87
Pretax income		4.15		34.76		15.83	10.12
Income tax expense (benefit) ^(c)		(0.96)		15.08		9.99	4.03
Results of operations	\$	5.11	\$	19.68	\$	5.84	\$ 6.09

^(a) Natural gas volumes have been converted to Boe based on energy content of six Mcf of gas to one barrel of oil.

^(b) Revenues are net of royalty payments.

^(c) U.S. federal income taxes reflect certain expenses related to oil and gas activities allocated for U.S. income tax purposes. These amounts are computed using the statutory rate in effect during the period.

^(d) The 2020 results of operations excluded Ghana, which is presented in discontinued operations.

^(e) The 2019 results of operations excluded discontinued operations related to the Mozambique, South Africa and Ghana assets. Results of operations related to the Algeria assets have been reclassified and are included to reflect the Algeria operations as continuing operations.



STANDARDIZED MEASURE, INCLUDING YEAR-TO-YEAR CHANGES THEREIN, OF DISCOUNTED FUTURE NET CASH FLOWS

For purposes of the following disclosures, future cash flows were computed by applying to Occidental's proved oil and gas reserves the unweighted arithmetic average of the first-day-of-the-month price for each month within the years ended December 31, 2020, 2019 and 2018, respectively, unless prices were defined by contractual arrangements, and exclude escalations based upon future conditions. The realized prices used to calculate future cash flows vary by producing area and market conditions. Future operating and capital costs were forecast using the current cost environment applied to expectations of future operating and development activities to develop and produce proved reserves at year end.

Future income tax expenses were computed by applying, generally, year-end statutory tax rates (adjusted for permanent differences, tax credits, allowances and foreign income repatriation considerations) to the estimated net future pre-tax cash flows. The discount was computed by application of a 10% discount factor. The calculations assumed the continuation of existing economic, operating and contractual conditions at December 31, 2020, 2019 and 2018. Such assumptions, which are required by regulation, have not always proven accurate in the past. Other valid assumptions would give rise to substantially different results.

STANDARDIZED MEASURE OF DISCOUNTED FUTURE NET CASH FLOWS

<i>millions</i>	United States	Latin America	Middle East / Africa	Total
AT DECEMBER 31, 2020				
Future cash inflows	\$ 49,050	\$ —	\$ 21,270	\$ 70,320
Future costs				
Production costs and other operating	(29,147)	—	(8,304)	(37,451)
Development costs ^(a)	(9,103)	(6)	(2,404)	(11,513)
Future income tax expense	(19)	—	(2,088)	(2,107)
Future net cash flows	10,781	(6)	8,474	19,249
10% discount factor	(3,827)	—	(4,071)	(7,898)
Standardized measure of discounted future net cash flows ^(b)	\$ 6,954	\$ (6)	\$ 4,403	\$ 11,351
AT DECEMBER 31, 2019				
Future cash inflows	\$ 97,293	\$ 5,803	\$ 33,258	\$ 136,354
Future costs				
Production costs and other operating	(47,685)	(2,824)	(11,318)	(61,827)
Development costs ^(a)	(13,137)	(553)	(2,719)	(16,409)
Future income tax expense	(4,097)	(687)	(3,842)	(8,626)
Future net cash flows	32,374	1,739	15,379	49,492
10% discount factor	(12,427)	(701)	(7,135)	(20,263)
Standardized measure of discounted future net cash flows ^(c)	\$ 19,947	\$ 1,038	\$ 8,244	\$ 29,229
AT DECEMBER 31, 2018				
Future cash inflows	\$ 75,313	\$ 6,104	\$ 31,158	\$ 112,575
Future costs				
Production costs and other operating	(33,373)	(2,673)	(9,609)	(45,655)
Development costs ^(a)	(9,450)	(377)	(2,136)	(11,963)
Future income tax expense	(4,150)	(959)	(3,524)	(8,633)
Future net cash flows	28,340	2,095	15,889	46,324
10% discount factor	(14,288)	(846)	(7,729)	(22,863)
Standardized measure of discounted future net cash flows	\$ 14,052	\$ 1,249	\$ 8,160	\$ 23,461

^(a) Included asset retirement costs.

^(b) 2020 excluded discounted future net cash flows of \$0.1 billion related to Ghana, which is presented as held for sale.

^(c) 2019 excluded discounted future net cash flows of \$0.8 billion related to Occidental's Mozambique (sold 2019), South Africa (sold 2020) and Ghana (held for sale) assets. Discounted future net cash flows for Algeria of \$1.2 billion have been reclassified and included.



CHANGES IN THE STANDARDIZED MEASURE OF DISCOUNTED FUTURE NET CASH FLOWS FROM PROVED RESERVE QUANTITIES

millions	2020	2019 ^(a)	2018
Balance at January 1	\$ 29,229	\$ 23,461	\$ 16,220
Sales and transfers of oil and gas produced, net of production costs and other operating expenses	(6,483)	(9,207)	(7,828)
Net change in prices received per barrel, net of production costs and other operating expenses	(19,738)	(6,506)	9,482
Extensions, discoveries and improved recovery, net of future production and development costs	1,007	2,607	3,378
Change in estimated future development costs	1,686	(1,666)	(3,463)
Revisions of quantity estimates	(1,989)	(2,172)	664
Previously estimated development costs incurred during the period	1,680	3,304	1,943
Accretion of discount	2,541	2,381	1,551
Net change in income taxes	3,212	3,285	(1,182)
Purchases and sales of reserves in place, net	(651)	11,229	347
Changes in production rates and other	857	2,513	2,349
Net change	(17,878)	5,768	7,241
Balance at December 31	\$ 11,351	\$ 29,229	\$ 23,461

^(a) 2019 values have been adjusted to reclassify and reflect the Algeria operations as continuing operations.

AVERAGE SALES PRICE

The following table sets forth, for each year in the three-year period ended December 31, 2020, Occidental's approximate average sales prices in continuing operations:

	United States	Latin America	Middle East / Africa	Total
2020				
Oil (\$/Bbl)	\$ 36.39	\$ 38.80	\$ 41.52	\$ 37.41
NGL (\$/Bbl)	\$ 11.98	\$ —	\$ 16.22	\$ 12.58
Gas (\$/Mcf)	\$ 1.18	\$ 5.41	\$ 1.62	\$ 1.31
2019				
Oil (\$/Bbl)	\$ 54.31	\$ 57.26	\$ 62.03	\$ 56.32
NGL (\$/Bbl)	\$ 16.03	\$ —	\$ 21.85	\$ 17.20
Gas (\$/Mcf)	\$ 1.31	\$ 7.01	\$ 1.59	\$ 1.45
2018				
Oil (\$/Bbl)	\$ 56.30	\$ 64.32	\$ 67.69	\$ 60.64
NGL (\$/Bbl)	\$ 27.64	\$ —	\$ 23.20	\$ 26.25
Gas (\$/Mcf)	\$ 1.59	\$ 6.43	\$ 1.58	\$ 1.62



NET PRODUCTIVE AND DRY— EXPLORATORY AND DEVELOPMENT WELLS COMPLETED

The following table sets forth, for each year in the three-year period ended December 31, 2020, Occidental's net productive and dry exploratory and development wells completed:

	United States	Latin America	Middle East / Africa ^(a)	Total
2020				
Oil				
Exploratory	7	—	2	9
Development	240	—	81	321
Gas				
Exploratory	—	1	1	2
Development	6	—	1	7
Dry				
Exploratory	—	—	1	1
Development	—	—	—	—
2019				
Oil				
Exploratory	22	—	7	29
Development	422	68	129	619
Gas				
Exploratory	—	2	5	7
Development	2	—	2	4
Dry				
Exploratory	1	3	6	10
Development	—	1	—	1
2018				
Oil				
Exploratory	11	2	5	18
Development	267	54	138	459
Gas				
Development	3	—	1	4
Dry				
Exploratory	—	2	3	5

^(a) Prior period wells completed for Algeria have been reclassified and included to reflect the Algeria operations as continuing operations.



PRODUCTIVE OIL AND GAS WELLS

The following table sets forth, as of December 31, 2020, Occidental's productive oil and gas wells (both producing and capable of production):

Wells at December 31, 2020 ^(a)	United States		Latin America		Middle East / Africa		Total	
Oil								
Gross ^(b)	20,189	(1,271)	1	—	2,817	—	23,007	(1,271)
Net ^(c)	16,549	(1,169)	1	—	1,238	(35)	17,788	(1,204)
Gas								
Gross ^(b)	4,441	(2,166)	36	—	127	(2)	4,604	(2,168)
Net ^(c)	3,198	(1,982)	34	—	60	(4)	3,292	(1,986)

^(a) The numbers in parentheses indicate the number of wells with multiple completions.

^(b) The total number of wells in which interests are owned.

^(c) The sum of fractional interests.

PARTICIPATION IN WELLS BEING DRILLED OR PENDING COMPLETION

The following table sets forth, as of December 31, 2020, Occidental's participation in exploratory and development wells being drilled:

	United States	Latin America	Middle East / Africa	Total
Exploratory and development wells being drilled				
Gross	46	—	17	63
Net	33	—	11	44
Exploratory and development wells pending completion ^(a)				
Gross	187	—	2	189
Net	150	—	1	151

^(a) Wells suspended or waiting on completion include exploration and development wells where drilling has occurred, but the wells are awaiting the completion of hydraulic fracturing or other completion activities or the resumption of drilling in the future. There were 57 MMboe of PUDs primarily assigned to U.S. onshore development wells suspended or waiting on completion at December 31, 2020. Occidental expects to convert all of these PUDs reserves to developed status within five years of their initial disclosure.

At December 31, 2020, Occidental was participating in 104 and 33 gross pressure-maintenance projects in the United States and Middle East/Africa, respectively. In the United States, these projects primarily consisted of waterfloods with some CO₂ floods, and in the Middle East/Africa, these projects consisted mostly of waterfloods.



OIL AND GAS ACREAGE

The following table sets forth, as of December 31, 2020, Occidental's holdings of developed and undeveloped oil and gas acreage:

<i>thousands</i>	United States	Latin America	Middle East / Africa	Total
Developed ^(a)				
Gross ^(b)	6,449	67	1,068	7,584
Net ^(c)	3,960	56	320	4,336
Undeveloped ^(d)				
Gross ^(b)	1,451	—	7,972	9,423
Net ^(c)	970	—	6,553	7,523
Fee Mineral Ownership ^(e)				
Gross ^(b)	8,069	—	—	8,069
Net ^(c)	4,559	—	—	4,559

^(a) Acres spaced or assigned to productive wells.

^(b) Total acres in which interests are held.

^(c) Sum of the fractional interests owned based on working interests, or interests under PSCs and other economic arrangements.

^(d) Acres on which wells have not been drilled or completed to a point that would permit the production of commercial quantities of oil and gas, regardless of whether the acreage contains proved reserves.

^(e) Occidental's fee mineral acreage is primarily undeveloped.

Occidental's investment in developed and undeveloped acreage comprises numerous concessions, blocks and leases. Work programs are designed to ensure that the exploration potential of any property is fully evaluated before the contractual expiration date. In some instances, Occidental may elect to relinquish acreage in advance of the contractual expiration date if the evaluation process is complete and there is not a business basis for extension. In cases where additional time may be required to fully evaluate acreage, Occidental has generally been successful in obtaining extensions. Scheduled lease and concession expirations for undeveloped acreage over the next three years are not expected to have a material adverse impact on Occidental.



OIL, NGL AND NATURAL GAS SALES VOLUMES PER DAY

The following tables set forth the sales volumes from ongoing operations of oil, NGL and natural gas per day for each of the three years in the period ended December 31, 2020. The differences between the sales and production volumes per day are negligible and are generally due to the timing of shipments at Occidental's international locations where product is loaded onto tankers. Natural gas volumes have been converted to Boe based on energy content of six Mcf of gas to one barrel of oil.

Sales per Day from Ongoing Operations (Mboe/d)	2020	2019	2018
United States			
Permian Resources	435	355	214
Permian EOR	140	154	154
DJ Basin	293	120	—
Gulf of Mexico	130	58	—
Other Domestic	39	27	4
Total	1,037	714	372
Latin America	33	34	32
Middle East / Africa			
Algeria ^(a)	45	24	—
Al Hosn Gas	78	82	73
Dolphin	45	42	40
Oman	85	89	86
Total	253	237	199
Total Sales from Ongoing Operations (Mboe/d)	1,323	985	603
Operations exited or exiting	28	44	55
Total Sales (Mboe/d)	1,351	1,029	658

^(a) Prior period sales volumes for Algeria have been reclassified and included to reflect the Algeria operations as ongoing operations.



Sales per Day by Products from Ongoing Operations (Mboe/d)	2020	2019	2018
United States			
Oil (Mbbbl)			
Permian Resources	237	207	132
Permian EOR	106	117	117
DJ Basin	96	46	—
Gulf of Mexico	109	48	—
Other Domestic	13	7	1
Total	561	425	250
NGL (Mbbbl)			
Permian Resources	101	74	38
Permian EOR	28	30	29
DJ Basin	79	28	—
Gulf of Mexico	9	4	—
Other Domestic	4	4	—
Total	221	140	67
Natural gas (MMcf)			
Permian Resources	584	442	261
Permian EOR	36	44	50
DJ Basin	713	275	—
Gulf of Mexico	71	34	—
Other Domestic	125	98	16
Total	1,529	893	327
Latin America			
Oil (Mbbbl)	32	33	31
Natural gas (MMcf)	6	7	6
Middle East / Africa			
Oil (Mbbbl)			
Algeria	42	22	—
Al Hosn Gas	14	14	13
Dolphin	7	7	7
Oman	65	66	63
Total	128	109	83
NGL (Mbbbl)			
Algeria	3	2	—
Al Hosn Gas	25	26	23
Dolphin	9	8	8
Total	37	36	31
Natural gas (MMcf)			
Al Hosn Gas	238	251	220
Dolphin	171	161	152
Oman	120	138	139
Total	529	550	511
Total Sales from Ongoing Operations (Mboe/d)	1,323	985	603

Schedule II – Valuation and Qualifying Accounts

Occidental Petroleum Corporation
and Subsidiaries

<i>millions</i>	Balance at Beginning of Period	Additions		Deductions ^(a)	Balance at End of Period
		Charged to Costs and Expenses	Charged to Other Accounts		
2020					
Allowance for doubtful accounts	\$ 788	\$ 37	\$ (3)	\$ —	\$ 822 ^(b)
Environmental, litigation and other reserves	\$ 2,411	\$ 115	\$ 43	\$ (140)	\$ 2,429 ^(c)
2019					
Allowance for doubtful accounts	\$ 668	\$ 126	\$ (6)	\$ —	\$ 788 ^(b)
Environmental, litigation, tax and other reserves	\$ 994	\$ 182	\$ 1,408	\$ (173)	\$ 2,411 ^(c)
2018					
Allowance for doubtful accounts	\$ 594	\$ 77	\$ (3)	\$ —	\$ 668 ^(b)
Environmental, litigation, tax and other reserves	\$ 935	\$ 140	\$ 85	\$ (166)	\$ 994 ^(c)

^(a) Primarily represents payments.

^(b) Of these amounts, \$42 million, \$22 million and \$24 million in 2020, 2019, and 2018, respectively, are classified as current.

^(c) Of these amounts, \$149 million, \$188 million and \$146 million in 2020, 2019, and 2018, respectively, are classified as current.

Note: The amounts presented represent continuing operations.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

Occidental had no changes in, and no disagreements with, Occidental's accountants on accounting and financial disclosure.

ITEM 9A. CONTROLS AND PROCEDURES

MANAGEMENT'S ANNUAL ASSESSMENT OF AND REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

The management of Occidental Petroleum Corporation and its subsidiaries (Occidental) is responsible for establishing and maintaining adequate internal control over financial reporting. Occidental's system of internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. Occidental's internal control over financial reporting includes those policies and procedures that: (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and divestitures of Occidental's assets; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles and that Occidental's receipts and expenditures are being made only in accordance with authorizations of Occidental's management and directors; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of Occidental's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management has assessed the effectiveness of Occidental's internal control system as of December 31, 2020, based on the criteria for effective internal control over financial reporting described in Internal Control - Integrated Framework issued in 2013 by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on this assessment, management believes that, as of December 31, 2020, Occidental's system of internal control over financial reporting is effective.

Occidental's independent auditors, KPMG LLP, have issued an audit report on Occidental's internal control over financial reporting.

DISCLOSURE 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 Exchange Act) 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 December 31, 2020.

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 Exchange Act) during the fourth quarter of 2020 that has materially affected, or is reasonably likely to materially affect, Occidental's internal control over financial reporting. The Report of Independent Registered Public Accounting Firm on Internal Control over Financial Reporting is set forth in Item 8.

ITEM 9B. OTHER INFORMATION

None.

Part III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Occidental has adopted a Code of Business Conduct (Code). The Code applies to the President and Chief Executive Officer, Senior Vice President and Chief Financial Officer, Vice President, Chief Accounting Officer and Controller and persons performing similar functions (Key Personnel). The Code also applies to Occidental's directors, employees and the employees of entities which it controls. The Code is posted at www.oxy.com. Occidental will satisfy any disclosure requirement under Item 5.05 of Form 8-K regarding an amendment to, or waiver from, any provision of the Code with respect to its Key Personnel or directors by disclosing the nature of that amendment or waiver on its website within four business days following the date of the amendment or waiver.

The list of Occidental's executive officers and related information under Information About Our Executive Officers set forth in Part I of this 10-K is incorporated by reference herein. The information required by this Item 10 is incorporated herein by reference from Occidental's definitive Proxy Statement to be filed with the SEC pursuant to Regulation 14A within 120 days of December 31, 2020.

ITEM 11. EXECUTIVE COMPENSATION

The information under the caption "Compensation Discussion and Analysis - Compensation Committee Report" shall not be deemed to be "soliciting material," or to be "filed" with the SEC, or subject to Regulation 14A or 14C under the Exchange Act or to the liabilities of Section 18 of the Exchange Act, nor shall it be deemed incorporated by reference into any filing under the Securities Act of 1933. The information required by this Item 11 is incorporated herein by reference from Occidental's definitive Proxy Statement to be filed with the SEC pursuant to Regulation 14A within 120 days of December 31, 2020.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

All of Occidental's stock-based compensation plans for its employees and non-employee directors have been approved by the stockholders. The aggregate number of shares of Occidental common stock authorized for issuance under such plans is approximately 133 million, of which approximately 11.6 million had been reserved for issuance through December 31, 2020. The following is a summary of the securities available for issuance under such plans:

a) Number of securities to be issued upon exercise of outstanding options, warrants and rights	b) Weighted-average exercise price of outstanding options, warrants and rights	c) Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
12,543,995 ⁽¹⁾	46.34 ⁽²⁾	88,324,982 ⁽³⁾

⁽¹⁾ Included shares reserved to be issued pursuant to restricted stock units, stock options (Options) and performance-based awards. Shares for performance-based awards are included assuming maximum payout, but may be paid out at lesser amounts, or not at all, according to achievement of performance goals.

⁽²⁾ Price applies only to the Options included in column (a). Exercise price is not applicable to the other awards included in column (a), nor warrants not issued under equity compensation plans.

⁽³⁾ A plan provision requires each share covered by an award (other than stock appreciation rights (SARs) and Options) to be counted as if three shares were issued in determining the number of shares that are available for future awards. Accordingly, the number of shares available for future awards may be less than the amount shown depending on the type of award granted. Additionally, under the plan, the amount shown may increase, depending on the award type, by the number of shares currently unvested or forfeitable, or three times that number as applicable, that are forfeited or canceled, or correspond to the portion of any stock-based awards settled in cash.

The information required by this Item 12 is incorporated herein by reference from Occidental's definitive Proxy Statement to be filed with the SEC pursuant to Regulation 14A within 120 days of December 31, 2020.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS AND DIRECTOR INDEPENDENCE

The information required by this Item 13 is incorporated herein by reference from Occidental's definitive Proxy Statement to be filed with the SEC pursuant to Regulation 14A within 120 days of December 31, 2020.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

The information required by this Item 14 is incorporated herein by reference from Occidental's definitive Proxy Statement to be filed with the SEC pursuant to Regulation 14A within 120 days of December 31, 2020.

Part IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

The agreements included as exhibits to this report are included to provide information about their terms and not to provide any other factual or disclosure information about Occidental or the other parties to the agreements. The agreements contain representations and warranties by each of the parties to the applicable agreement that were made solely for the benefit of the other agreement parties and:

- Should not be treated as categorical statements of fact, but rather as a way of allocating the risk among the parties if those statements prove to be inaccurate;
- Have been qualified by disclosures that were made to the other party in connection with the negotiation of the applicable agreement, which disclosures are not necessarily reflected in the agreement;
- May apply standards of materiality in a way that is different from the way investors may view materiality; and
- Were made only as of the date of the applicable agreement or such other date or dates as may be specified in the agreement and are subject to more recent developments.

(a) (1) and (2). Financial Statements and Financial Statement Schedule

Reference is made to Item 8 of the Table of Contents of this report, where these documents are listed.

(a) (3). Exhibits

- 3.(i) Restated Certificate of Incorporation of Occidental, dated November 12, 1999, and Certificates of Amendment thereto dated May 5, 2006, May 1, 2009, May 2, 2014 and June 3, 2020 (filed as Exhibit 4.1 to the Registration Statement on Form S-8 of Occidental filed on June 17, 2020, File No. 333-239236).
- 3.(i)(a) Certificate of Change of Location of Registered Office and of Registered Agent, dated July 6, 2001 (filed as Exhibit 3.1(i) to the Registration Statement on Form S-3 of Occidental dated February 6, 2002, File No. 333-82246).
- 3.(ii) Amended and Restated By-laws of Occidental Petroleum Corporation as of March 25, 2020 (filed as Exhibit 3.1 to the Current Report on Form 8-K of Occidental filed on March 25, 2020, File No. 1-9210).
- 3.(ii)(a) Certificate of Designations with respect to the Cumulative Perpetual Preferred Stock, Series A (filed as Exhibit 3.1 to the Current Report on Form 8-K of Occidental filed on August 8, 2019, File No. 1-9210).
- 3.(ii)(b) Certificate of Designations with respect to the Junior Participating Preferred Stock, Series B (filed as Exhibit 3.1 to the Current Report on Form 8-K of Occidental filed on March 13, 2020, File No. 1-9210).
- 4.1 Description of Securities of Occidental Petroleum Corporation.
- 4.2 Rights Agreement, dated as of March 12, 2020, between Occidental Petroleum Corporation and Equiniti Trust Company, as Rights Agent (filed as Exhibit 4.1 to the Current Report on Form 8-K of Occidental filed on March 13, 2020, File No. 1-9210).
- 4.3 Indenture, dated as of August 8, 2019, between Occidental Petroleum Corporation 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 on August 8, 2019, File No. 1-9210).

Other instruments defining the rights of holders of other long-term debt of Occidental and its subsidiaries are not being filed since the total amount of securities authorized under each of such instruments does not exceed 10% of the total assets of Occidental and its subsidiaries on a consolidated basis. Occidental agrees to furnish a copy of any such instrument to the Commission upon request.

All of the Exhibits numbered 10.1 to 10.33 are management contracts and compensatory plans required to be identified specifically as responsive to Item 601(b)(10)(iii)(A) of Regulation S-K pursuant to Item 15(b) of Form 10-K.

- 10.1 Occidental Petroleum Corporation Savings Plan (Amended and Restated Effective as of January 1, 2021).
- 10.2 Occidental Petroleum Corporation Modified Deferred Compensation Plan (Effective December 31, 2006 and Amended and Restated Effective January 1, 2021).
- 10.3 Occidental Petroleum Corporation Supplemental Retirement Plan II (Effective as of January 1, 2005 and Amended and Restated as of July 1, 2020) (filed as Exhibit 10.4 to the Quarterly Report on Form 10-Q of Occidental for the quarterly period ended June 30, 2020, File No. 1-9210).
- 10.4 Form of 2018 Occidental Petroleum Corporation 2015 Long-Term Incentive Plan Total Shareholder Return Incentive Award (filed as Exhibit 10.1 to the Quarterly Report on Form 10-Q of Occidental for the quarterly period ended March 31, 2018, File No. 1-9210).

- 10.5 Form of 2018 Occidental Petroleum Corporation 2015 Long-Term Incentive Plan Restricted Stock Unit Incentive Award (filed as Exhibit 10.2 to the Quarterly Report on Form 10-Q of Occidental for the quarterly period ended March 31, 2018, File No. 1-9210).
- 10.6 Form of Amendment to Occidental Petroleum Corporation 2015 Long-Term Incentive Plan Notice of Grant of Performance Retention Incentive Award (filed as Exhibit 10.4 to the Annual Report on Form 10-K of Occidental for the fiscal year ended December 31, 2017, File No. 1-9210).
- 10.7 Occidental Petroleum Corporation Executive Incentive Compensation Plan (As Amended and Restated Effective January 1, 2020) (filed as Exhibit 10.6 to the Quarterly Report on Form 10-Q of Occidental for the quarterly period ended June 30, 2020, File No. 1-9210).
- 10.8 Form of Indemnification Agreement between Occidental and each of its directors and certain executive officers (filed as Exhibit B to the Proxy Statement of Occidental for its May 21, 1987, Annual Meeting of Stockholders, File No. 1-9210).
- 10.9 Form of Indemnification Agreement between Occidental and each of its directors and certain executive officers.
- 10.10 Amended and Restated Occidental Petroleum Corporation 2015 Long-Term Incentive Plan (filed as Exhibit 4.7 to the Registration Statement on Form S-8 of Occidental filed on June 17, 2020, File No. 333-239236).
- 10.11 Form of 2016 Occidental Petroleum Corporation 2015 Long-Term Incentive Plan Common Stock Unit Award For Non-Employee Directors (filed as Exhibit 10.1 to the Quarterly Report on Form 10-Q of Occidental for the quarterly period ended June 30, 2016, File No. 1-9210).
- 10.12 Form of 2016 Occidental Petroleum Corporation 2015 Long-Term Incentive Plan Restricted Stock Unit Incentive Award (filed as Exhibit 10.3 to the Quarterly Report on Form 10-Q of Occidental for the quarterly period ended June 30, 2016, File No. 1-9210).
- 10.13 Occidental Petroleum Corporation 2015 Long-Term Incentive Plan Form of Notice of Grant of Restricted Stock Unit Incentive Award (filed as Exhibit 10.1 to the Quarterly Report on Form 10-Q of Occidental for the quarterly period ended March 31, 2016, File No. 1-9210).
- 10.14 Occidental Petroleum Corporation 2005 Long-Term Incentive Plan, as amended through October 13, 2010 (filed as Exhibit 10.1 to the Current Report on Form 8-K of Occidental filed on October 14, 2010, File No. 1-9210).
- 10.15 Description of financial counseling program (filed as Exhibit 10.50 to the Annual Report on Form 10-K of Occidental for the fiscal year ended December 31, 2003, File No. 1-9210).
- 10.16 Description of group excess liability insurance program.
- 10.17 Occidental Petroleum Corporation 2005 Long-Term Incentive Plan Restricted Stock Incentive Award Terms and Conditions (filed as Exhibit 10.1 to the Current Report on Form 8-K of Occidental filed on July 16, 2013, File No. 1-9210).
- 10.18 Occidental Petroleum Corporation 2005 Long-Term Incentive Plan Restricted Stock Incentive Award Terms and Conditions (Performance-Based) (filed as Exhibit 10.2 to the Current Report on Form 8-K of Occidental filed on July 26, 2013, File No. 1-9210).
- 10.19 Form of Occidental Petroleum Corporation 2005 Long-Term Incentive Plan Nonstatutory Stock Option Award Terms and Conditions (filed as Exhibit 10.73 to the Annual Report on Form 10-K of Occidental for the fiscal year ended December 31, 2014, File No. 1-9210).
- 10.20 Occidental Petroleum Corporation 2015 Long-Term Incentive Plan Form of Notice of Grant of Performance Retention Incentive Award (filed as Exhibit 10.5 to the Quarterly Report on Form 10-Q of Occidental for the quarterly period ended June 30, 2015, File No. 1-9210).
- 10.21 Form of Occidental Petroleum Corporation 2015 Long-Term Incentive Plan Common Stock Unit Award For Non-Employee Directors Grant Agreement (filed as Exhibit 10.1 to the Quarterly Report on Form 10-Q of Occidental for the quarterly period ended June 30, 2015, File No. 1-9210).
- 10.22 Form of Occidental Petroleum Corporation 2015 Long-Term Incentive Plan Common Stock Award For Non-Employee Directors Grant Agreement (filed as Exhibit 10.2 to the Quarterly Report on Form 10-Q of Occidental for the quarterly period ended June 30, 2015, File No. 1-9210).
- 10.23 Retention Agreement with Christopher O. Champion (filed as Exhibit 10.3 to the Current Report on Form 8-K of Occidental filed on August 8, 2019, File No. 1-9210).
- 10.24 Anadarko Retirement Restoration Plan (As Amended and Restated Effective as of July 1, 2020) (filed as Exhibit 10.2 to the Quarterly Report on Form 10-Q of Occidental for the quarterly period ended June 30, 2020, File No. 1-9210).
- 10.25 Anadarko Petroleum Corporation Savings Restoration Plan (As Amended and Restated Effective July 1, 2020) (filed as Exhibit 10.1 to the Quarterly Report on Form 10-Q of Occidental for the quarterly period ended June 30, 2020, File No. 1-9210).
- 10.26 Form of Occidental Petroleum Corporation 2015 Long-Term Incentive Plan Cash Return on Capital Employed Incentive Award (applicable to annual grants made in 2020) (filed as Exhibit 10.1 to the Quarterly Report on Form 10-Q of Occidental for the quarterly period ended March 31, 2020, File No. 1-9210).
- 10.27 Form of 2020 Occidental Petroleum Corporation 2015 Long-Term Incentive Plan Total Shareholder Return Incentive Award (filed as Exhibit 10.2 to the Quarterly Report on Form 10-Q of Occidental for the quarterly period ended March 31, 2020, File No. 1-9210).
- 10.28 Form of Occidental Petroleum Corporation 2015 Long-Term Incentive Plan Stock Option Award (filed as Exhibit 10.3 to the Quarterly Report on Form 10-Q of Occidental for the quarterly period ended March 31, 2020, File No. 1-9210).
- 10.29 Form of Occidental Petroleum Corporation 2015 Long-Term Incentive Plan Stock Appreciation Right Award (filed as Exhibit 10.4 to the Quarterly Report on Form 10-Q of Occidental for the quarterly period ended March 31, 2020, File No. 1-9210).
- 10.30 Occidental Petroleum Corporation Executive Severance Plan (filed as Exhibit 10.5 to the Quarterly Report on Form 10-Q of Occidental for the quarterly period ended March 31, 2020, File No. 1-9210).

- 10.31 Form of 2020 Occidental Petroleum Corporation 2015 Long-Term Incentive Plan Special Restricted Stock Unit Incentive Award (filed as Exhibit 10.6 to the Quarterly Report on Form 10-Q of Occidental for the quarterly period ended March 31, 2020, File No. 1-9210).
- 10.32 Occidental Petroleum Corporation Executive Change in Control Severance Plan (filed as Exhibit 10.5 to the Quarterly Report on Form 10-Q of Occidental for the quarterly period ended June 30, 2020, File No. 1-9210).
- 10.33 Form of Employee Notice, Impact of August 2020 Warrant Distribution on Long-Term Incentive Awards (filed as Exhibit 10.7 to the Quarterly Report on Form 10-Q of Occidental for the quarterly period ended September 30, 2020, File No. 1-9210).
- 10.34 Amended and Restated Revolving Credit Agreement, dated as of June 3, 2019, among Occidental Petroleum Corporation, the lenders party thereto and JPMorgan Chase Bank, N.A., as Administrative Agent (filed as Exhibit 10.2 to the Current Report on Form 8-K of Occidental filed on August 8, 2019, File No. 1-9210).
- 10.35 Amendment No. 1 to Amended and Restated Revolving Credit Agreement, dated as of March 23, 2020, among Occidental Petroleum Corporation, the lenders party thereto and JPMorgan Chase Bank, N.A., as Administrative Agent (filed as Exhibit 10.1 to the Current Report on Form 8-K of Occidental filed on March 24, 2020, File No. 1-9210).
- 10.36 Director Appointment and Nomination Agreement dated March 25, 2020 by and among the Icahn Group, Occidental and, solely with respect to the provisions applicable to the New Independent Director, Margarita Paláu-Hernández (filed as Exhibit 10.1 to the Current Report on Form 8-K of Occidental filed on March 25, 2020, File No. 1-9210).
- 10.37 Warrant Agreement (including Form of Warrant), dated July 24, 2020, between the Company and Equiniti Trust Company, as Warrant Agent (filed as Exhibit 10.1 to the Current Report on Form 8-K of Occidental filed on July 27, 2020, File No. 1-9210).
- 21 List of subsidiaries of Occidental at December 31, 2020.
- 23.1 Consent of Independent Registered Public Accounting Firm.
- 23.2 Consent of Ryder Scott, Independent Petroleum Engineers.
- 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.
- 99.1 Ryder Scott Company Process Review of the Estimated Future Proved Reserves and Income Attributable to Certain Fee, Leasehold and Royalty Interests and Certain Economic Interests Derived Through Certain Production Sharing Contracts as of December 31, 2020.
- 101.INS Inline XBRL Instance Document.
- 101.SCH Inline XBRL Taxonomy Extension Schema Document.
- 101.CAL Inline XBRL Taxonomy Extension Calculation Linkbase Document.
- 101.LAB Inline XBRL Taxonomy Extension Label Linkbase Document.
- 101.PRE Inline XBRL Taxonomy Extension Presentation Linkbase Document.
- 101.DEF Inline XBRL Taxonomy Extension Definition Linkbase Document.
- 104 Cover Page Interactive Data File - The cover page from Occidental Petroleum Corporation's Annual Report on Form 10-K for the year ended December 31, 2020 is formatted in Inline XBRL (included as Exhibit 101).

ITEM 16. FORM 10-K SUMMARY

Not applicable.

**OCCIDENTAL PETROLEUM CORPORATION
DESCRIPTION OF SECURITIES**

DESCRIPTION OF COMMON STOCK

General

The common stock of Occidental Petroleum Corporation (“Occidental,” “our” or “we”) is listed on the New York Stock Exchange (“NYSE”) under the symbol “OXY.” The following description of our common stock describes the material provisions of our common stock and does not purport to be complete. We urge you to read our Restated Certificate of Incorporation of Occidental Petroleum Corporation, as amended (“Certificate of Incorporation”), and our Amended and Restated By-laws of Occidental Petroleum Corporation (“Bylaws”), which are incorporated by reference as Exhibits 3.(i) and 3.(ii), respectively, to the Annual Report on Form 10-K of which this Exhibit 4.1 is a part.

Our Certificate of Incorporation authorizes our board of directors, without further stockholder action, to provide for the issuance of up to 1,500,000,000 shares of common stock, par value \$0.20 per share. The common stock will, when issued, be fully paid and nonassessable.

Dividend Rights

Subject to the dividend rights of the holders of any outstanding series of preferred stock, the holders of shares of common stock will be entitled to receive dividends when, as and if declared by our board of directors. We will pay those dividends either in cash, shares of common stock, or otherwise, at the rate and on the date or dates as declared by our board of directors. Accruals of dividends will not bear interest. As a Delaware corporation, we are subject to statutory limitations on the declaration and payment of dividends.

Liquidation Rights

In the event of any voluntary or involuntary liquidation, dissolution or winding up of our affairs, holders of common stock will be entitled to share ratably in our assets that are legally available for distribution to stockholders after payment of liabilities, and after the payment in full of the amounts required to be paid to the holders of any outstanding class or series of preferred stock. Because we are a holding company, holders of common stock may not receive assets of our subsidiaries in the event of our liquidation until the claims of creditors of such subsidiaries are paid, except to the extent that we are a creditor of, and may have recognized claims against, such subsidiaries.

Voting Rights

Each holder of common stock entitled to vote will have one vote for each one share of common stock held on all matters to be voted upon by our stockholders, including elections of directors.

Except as otherwise required by law, our Certificate of Incorporation or our Bylaws, any question brought before any meeting of stockholders will be decided by the affirmative vote of a majority of the shares present in person or by proxy at the meeting and entitled to vote on the subject matter.

Directors will be elected by a majority of the votes cast, unless the number of nominees exceeds the number of directors to be elected, in which case the directors will be elected by the vote of a plurality of the votes cast.

Conversion, Redemption and Preemptive Rights

Holders of our common stock have no conversion, redemption, preemptive, subscription or similar rights.

Anti-Takeover Effects of our Certificate of Incorporation and Bylaws and of Delaware Law

Our Certificate of Incorporation and our Bylaws and Delaware law contain certain provisions that may have the effect of delaying, deferring or preventing a takeover attempt that a stockholder might consider in its best interest, including those attempts that result in a premium over the market price for the shares held by stockholders. Following is a description of certain of the anti-takeover effects of such provisions.

Special Meetings of Stockholders. Our Certificate of Incorporation and Bylaws currently provide that special meetings of our stockholders may be called by our board of directors or the Chairman of our board of directors. In addition, subject to certain procedural requirements contained in our Certificate of Incorporation and Bylaws, special meetings of stockholders may be called by the Secretary upon the written request of record holders of at least 15% of our outstanding common stock.

Advance Notice Requirements for Stockholder Proposals and Director Nominations. Our Bylaws provide that stockholders seeking to bring business before an annual meeting of stockholders, or to nominate candidates for election as directors at an annual or special meeting of stockholders, must provide timely notice to us thereof in writing within the time periods specified in our Bylaws. Our Bylaws also specify requirements as to the form and content of a stockholder's notice.

Stockholder Action by Written Consent. Stockholders are permitted to take action without a meeting by written consent, subject to certain procedures specified in our Certificate of Incorporation and Bylaws.

Limitations on Stockholders' Ability to Change the Number of Directors. The number of directors to serve on our board of directors is fixed by our Bylaws, and, pursuant to our Bylaws, can only be changed by resolution of our board of directors. In addition, our Certificate of Incorporation provides that any vacancy on our board of directors (including any vacancy resulting from an increase in the number of directors) may be filled by a majority of our board of directors then in office.

Authorized but Unissued Capital Stock. Our Certificate of Incorporation authorizes our board of directors to issue one or more series of preferred stock, and to determine, with respect to any such series of preferred stock, the number of shares to be included in any series and the designation, relative powers, preferences, rights and qualifications, limitations or restrictions of such series of preferred stock. The Delaware General Corporation Law (“DGCL”) does not require stockholder approval for any issuance of previously authorized shares of our capital stock. However, the listing requirements of the NYSE, which will apply so long as our common stock is listed on the NYSE, require stockholder approval of certain issuances of common stock or securities convertible into or exercisable for common stock equal to or exceeding 20% of the then outstanding voting power or then outstanding number of shares of our common stock. These additional shares may be used for a variety of corporate purposes, including future public offerings, to raise additional capital or to facilitate acquisitions.

No Cumulative Voting. The DGCL provides that stockholders of a Delaware corporation are not entitled to the right to cumulate votes in the election of directors unless its certificate of incorporation provides otherwise. Our Certificate of Incorporation provides that holders of common stock do not have cumulative voting rights in the election of directors or otherwise.

DESCRIPTION OF WARRANTS

General

On June 26, 2020, we announced that our board of directors declared a distribution to holders of shares of our common stock in the form of warrants to purchase an equivalent number of shares of our common stock. We issued approximately 116 million warrants on August 3, 2020, to holders of record of outstanding shares of our common stock as of the close of business on July 6, 2020 (the “Record Date”), and pursuant to our outstanding equity-based incentive awards in connection with anti-dilution adjustments resulting from such distribution. The warrants are listed on the NYSE under the symbol “OXY WS.” As of February 24, 2021, we have 115,826,270 warrants outstanding. The following description of the warrants describes the material provisions of the warrants and does not purport to be complete. We urge you to read the terms of the Warrant Agreement (including the Form of Warrant attached thereto), dated as of July 24, 2020, between Occidental and Equiniti Trust Company, as Warrant Agent (the “Warrant Agreement”), which is incorporated by reference as Exhibit 10.37 to the Annual Report on Form 10-K of which this Exhibit 4.1 is a part.

Each warrant represents the right to purchase one share of our common stock for cash at an initial exercise price of \$22.00 per share, payable in U.S. dollars (subject to adjustment as described under “Anti-dilution Adjustments” below). The warrants will expire on August 3, 2027 (or if that date is not a Business Day (as defined below), the next Business Day) (the “Expiration Date”). We have issued the warrants in uncertificated, direct registration form. The Warrant Agent will not be required to effect any registration of transfer or exchange that would result in the issuance of a warrant certificate or book-entry position for a fraction of a warrant. Warrant holders are not entitled to receive physical certificates. Registration of ownership is maintained by the Warrant Agent. We will at all times reserve for issuance the aggregate number of shares of common stock for which the warrants may be exercised. The warrants are not be redeemable by Occidental.

All or any part of the warrants may be exercised prior to 5:00 p.m., New York City time, on any Business Day (each day that is not a Saturday, a Sunday or a day on which banking institutions are not required to be open in the State of New York) on or prior to the Expiration Date by delivering a completed form of election to purchase common stock and payment of the then-current exercise price in cash to the Warrant Agent. Any such delivery that occurs on a day that is not a Business Day or is received after 5:00 p.m., New York City time, on any given Business Day will be deemed received and exercised on the next succeeding Business Day. Upon such delivery, we will issue such whole number of shares of common stock as the exercising warrant holder is entitled to receive and will pay or cause to be paid to such warrant holder cash in lieu of fractional shares of common stock (without interest and computed to the nearest cent) otherwise issuable in connection with the exercise of the warrant. The shares of common stock issuable upon exercise will be issued by Equiniti Trust Company, our transfer agent, through our direct registration system for the account of the exercising warrant holder.

The Warrant Agreement may be amended without the consent of any warrant holder for the purpose of curing any ambiguity or curing, correcting or supplementing any defective or inconsistent provision, or for the purpose of adding or changing any other provisions, including, but not limited to, additions or changes with respect to matters or questions arising under the Warrant Agreement. The consent of a majority in interest of the then-outstanding warrants is required for any amendment that materially and adversely affects the interests of the holders of the then-outstanding warrants.

A holder of unexercised warrants, in his or her capacity as such, is not entitled to any rights of a holder of common stock, including, without limitation, the right to vote or to receive dividends or other distributions.

We have agreed in the Warrant Agreement to use commercially reasonable efforts to cause a shelf registration statement (including, at our election, an existing registration statement), filed pursuant to Rule 415 (or any successor provision) of the Securities Act of 1933, as amended (the "Securities Act"), covering the issuance of common stock to the warrant holders upon exercise of the warrants to remain effective until the earlier of (i) such time as all warrants have been exercised and (ii) the Expiration Date. Occidental may suspend the availability of the registration statement relating to the warrants from time to time for a maximum of 45 days in a given 365-day period, if our board of directors determines that such a suspension would be necessary to comply with applicable laws and we provide notice to the warrant holders. If the registration is so suspended in the 45 days prior to the Expiration Date, the Expiration Date will be delayed for a number of days equal to the number of days during such 45-day period that the registration statement was suspended.

The warrants are exercisable only if there is an effective shelf registration statement, filed pursuant to Rule 415 (or any successor provision) under the Securities Act, registering the issuance of common stock upon exercise that is not subject to suspension pursuant to the Warrant Agreement, and only if the shares of common stock issuable upon exercise are qualified for sale or exempt from qualification under the applicable securities laws of any relevant states or other jurisdictions.

All expenses related to the registration and approval of the common stock issuable upon exercise of the warrants will be borne by us.

The distribution of the warrants has not been registered under the Securities Act because the issuance of a dividend in the form of a warrant or as an adjustment to an outstanding equity-based incentive award for no consideration is not a sale or disposition of a security or interest in a security for value pursuant to Section 2(a)(3) of the Securities Act.

Anti-dilution Adjustments

The exercise price and number of shares of common stock issuable upon exercise of a warrant will be subject to adjustment, without duplication, as follows, except that we will not make any such adjustments if each warrant holder participates, at the same time and upon the same terms as holders of the common stock and solely as a result of holding the warrants, in any of the transactions described below, without having to exercise such warrant holder's warrants, as if such warrant holder held a number of shares of common stock equal to the number of shares of common stock issuable upon exercise of such warrant holder's warrants:

- a. If Occidental (i) declares and pays a dividend or makes a distribution on its common stock in shares of common stock, (ii) subdivides or reclassifies the outstanding shares of common stock into a greater number of shares or (iii) combines or reclassifies the outstanding shares of common stock into a smaller number of shares then, in such event:
 1. the number of shares of common stock issuable upon exercise of a warrant on the record date for such dividend or distribution or the effective date of such subdivision, combination or reclassification will be proportionately adjusted so that the warrant holder after such date will be entitled to purchase the number of shares of common stock that such warrant holder would have owned or been entitled to receive in respect of the shares of common stock subject to such warrant after such date had such warrant been exercised immediately prior to such date; and
 2. the exercise price in effect on the record date for such dividend or distribution or the effective date of such subdivision, combination or reclassification will be adjusted to the number obtained by dividing (x) the product of (1) the number of shares of common stock issuable upon exercise of the warrant before such adjustment and (2) the exercise price in effect immediately prior to the record or effective date, as the case may be, for the dividend, distribution, subdivision, combination or reclassification giving rise to the adjustment by (y) the new number of shares of common stock issuable upon exercise of the warrant determined pursuant to clause (1) above.
- b. If Occidental issues shares of common stock (or rights or warrants or other securities exercisable or convertible into or exchangeable (collectively, a "conversion") for shares of common stock (collectively, "convertible securities")) (other than in Permitted Transactions (as defined below) or a transaction to which clause (a) above or clauses (c) or (d) below apply) without consideration or at a consideration per share in the case of

common stock (or, in the case of rights, warrants or other securities, having a conversion price per share) that is less than 95% of the Market Price (as defined in the Warrant Agreement) on the last Trading Day (as defined in the Warrant Agreement) preceding the date on which the relevant sales price, conversion price or exercise price is established then, in such event:

1. the number of shares of common stock issuable upon exercise of a warrant immediately prior to the date on which the sales price, conversion price or exercise price is established (the "Initial Number") will be increased to the number obtained by multiplying the Initial Number by a fraction (a) the numerator of which will be the sum of (x) the number of shares of common stock outstanding on such date and (y) the number of additional shares of common stock issued (or into which convertible securities may be exercised or convert) and (b) the denominator of which will be the sum of (x) the number of shares of common stock outstanding on such date and (y) the number of shares of common stock that the aggregate consideration receivable by Occidental for the total number of shares of common stock so issued (or into which convertible securities may be exercised or convert) would purchase at the Market Price on the last Trading Day preceding the date on which the sales price, conversion price or exercise price is established; and
2. the exercise price payable upon exercise of a warrant will be adjusted by multiplying such exercise price in effect immediately prior to the date on which the sales price, conversion price or exercise price is established by a fraction, the numerator of which will be the number of shares of common stock issuable upon exercise of such warrant prior to such date and the denominator of which will be the number of shares of common stock issuable upon exercise of such warrant immediately after the adjustment described in paragraph (1) above.

For purposes of the foregoing, the aggregate consideration receivable by Occidental in connection with the issuance of such shares of common stock or convertible securities will be deemed to be equal to the sum of the net offering price (after deduction of any related expenses payable to third parties) of all such securities plus the minimum aggregate amount, if any, payable upon exercise or conversion of any such convertible securities into shares of common stock; and "Permitted Transactions" will include issuances (1) as consideration for or to fund the acquisition by Occidental of businesses and/or assets constituting a significant part of a business, (2) in connection with employee benefit plans and compensation related arrangements of Occidental approved by our board of directors, (3) in connection with a broadly marketed offering and sale of common stock or convertible securities for cash and (4) upon exercise of rights, warrants or other securities exercisable or convertible into or exchangeable for shares of common stock outstanding on the date of the Warrant Agreement or in accordance with the terms (whether mandatory or optional) of any security, instrument or agreement outstanding or in effect on the date of the Warrant Agreement. Any adjustment made pursuant to clause (b) above will become effective immediately upon the date of such issuance.

- c. If Occidental fixes a record date for the making of a distribution to all holders of shares of common stock of securities, evidences of indebtedness, assets, cash, rights or warrants

(excluding (x) Ordinary Cash Dividends (as defined in the Warrant Agreement) and (y) dividends of common stock and other dividends or distributions referred to in clause (i) above or clause (v) below), then, in each case:

1. the exercise price in effect prior to such record date will be reduced immediately thereafter to the price determined by multiplying the exercise price in effect immediately prior to the reduction by the quotient of (x) the Market Price of the common stock on the last Trading Day preceding the first date on which the common stock trades regular way on the NYSE without the right to receive such distribution, minus the amount of cash or the Fair Market Value (as defined in the Warrant Agreement) of the securities, evidences of indebtedness, assets, rights or warrants to be so distributed in respect of one share of common stock (the "Per Share Fair Market Value") divided by (y) such Market Price on such date specified in clause (x); such adjustment will be made successively whenever such a record date is fixed; and
2. the number of shares of common stock issuable upon exercise of each warrant will be increased to the number obtained by dividing (x) the product of (1) the number of shares of common stock issuable upon exercise of each warrant before such adjustment, and (2) the exercise price in effect immediately prior to the distribution giving rise to this adjustment by (y) the new exercise price determined in accordance with paragraph (1) above.

In the case of adjustment for a cash dividend that is, or is coincident with, a quarterly dividend, the Per Share Fair Market Value will be reduced by the per share amount of the portion of the cash dividend that would constitute an Ordinary Cash Dividend. In the event that such distribution is not so made, the exercise price and the number of shares of common stock issuable upon exercise of each warrant then in effect will be readjusted, effective as of the date when our board of directors determines not to distribute such shares, evidences of indebtedness, assets, rights, cash or warrants, as the case may be, to the exercise price that would then be in effect and the number of shares of common stock issuable upon exercise of each warrant that would then be issuable upon exercise of each warrant if such record date had not been fixed.

d. If Occidental effects a Pro Rata Repurchase (as defined in the Warrant Agreement) of common stock, then:

1. the exercise price will be adjusted to the price determined by multiplying the exercise price in effect immediately prior to the effective date of such Pro Rata Repurchase by a fraction of which the numerator will be (x) the product of (1) the number of shares of common stock outstanding immediately before such Pro Rata Repurchase and (2) the Market Price of a share of common stock on the Trading Day immediately preceding the first public announcement by Occidental or any of its affiliates of the intent to effect such Pro Rata Repurchase, minus (y) the aggregate purchase price of the Pro Rata Repurchase, and of which the denominator will be the product of (1) the number of shares of common stock outstanding immediately prior to such Pro Rata Repurchase minus the number of shares of common stock so repurchased and (2) the Market Price per share of

common stock on the Trading Day immediately preceding the first public announcement by Occidental or any of its affiliates of the intent to effect such Pro Rata Repurchase; and

2. the number of shares of common stock issuable upon exercise of each warrant will be adjusted to the number obtained by dividing (x) the product of (1) the number of shares of common stock issuable upon exercise of such warrant before such adjustment, and (2) the exercise price in effect immediately prior to the Pro Rata Repurchase giving rise to this adjustment by (y) the new exercise price determined in accordance with paragraph (1) above.
- e. (i) If Occidental distributes or is deemed to have distributed, or fixes a record date for the making of a distribution, to all holders of shares of common stock of rights or warrants pursuant to a stockholder rights plan commonly known as a “poison pill” (a “Rights Plan”), which rights or warrants are not exercisable until the occurrence of a specified event or events (a “Trigger Event”), in each such case, upon the occurrence of the earliest such Trigger Event, the exercise price in effect prior to such Trigger Event will be reduced immediately after such Trigger Event to the price determined by multiplying the exercise price in effect immediately prior to the reduction by the quotient of (i) the Market Price of the common stock on the last Trading Day preceding the date of such Trigger Event (or, if the occurrence of such Trigger Event is not publicly disclosed as of the date of such Trigger Event, the last Trading Day preceding the first date on which the occurrence of such Trigger Event is publicly disclosed) (either such date, as applicable, the “Pre-Trigger Event Date”), minus the Fair Market Value of the rights or warrants distributed in respect of one share of common stock (determined as of the date of such Trigger Event or public disclosure of such Trigger Event, as applicable, after giving effect to the occurrence of such Trigger Event), divided by (ii) such Market Price on the Pre-Trigger Event Date; such adjustment will be made successively whenever any Trigger Event occurs under any Rights Plan and, with respect to any Rights Plan with respect to which an adjustment has been made, a corresponding adjustment will be made successively whenever any subsequent adjustment to the applicable rights or warrants is made pursuant to the terms of such Rights Plan to the extent such adjustment has not been made pursuant to the other terms of the warrants. In such event, the number of shares of common stock issuable upon exercise of each warrant will be increased to the number obtained by dividing (x) the product of (1) the number of shares of common stock issuable upon exercise of each warrant before such adjustment, and (2) the exercise price in effect immediately prior to the applicable Trigger Event or subsequent adjustment by (y) the new exercise price determined in accordance with the immediately preceding sentence.
- (ii) In the event of any distribution (or deemed distribution) of rights or warrants, or any Trigger Event with respect thereto described in clause (e)(i) above:
1. upon the redemption or repurchase by Occidental of any such rights or warrants without exercise by the holders thereof, (x) in the event that a Trigger Event will have occurred and an adjustment to the Exercise Price and number of shares of common stock issuable upon exercise of each warrant will have been made

pursuant to clause (e)(i) above, the exercise price and number of shares of common stock issuable upon exercise of such warrant will be readjusted as if such rights or warrants had not been distributed, and (y) whether or not a Trigger Event will have occurred, the exercise price and the number of shares of common stock issuable upon exercise of such warrant will be adjusted or readjusted, as applicable, pursuant to the terms of clause (c) above upon such redemption or repurchase as though it were a cash distribution (but not an Ordinary Cash Dividend) equal to the per share redemption or repurchase consideration received by holders of shares of common stock with respect to such rights or warrants (assuming such holder had retained such rights or warrants) made to all holders of shares of common stock as of the date of such redemption or repurchase, it being understood that if a readjustment has occurred pursuant to clause (x) above, the readjustment described in this clause (y) will occur immediately following such readjustment made pursuant to clause (x); and

2. in the event that a Trigger Event will have occurred and an adjustment to the exercise price and number of shares of common stock issuable upon exercise of each warrant will have been made pursuant to clause (e)(i) above, in the case all such rights or warrants will have expired or been terminated without exercise by any holders thereof, the exercise price and the number of shares of common stock issuable upon exercise of each warrant will be readjusted as if such rights and warrants had not been distributed.

(iii) If Occidental has a Rights Plan in effect with respect to its common stock, upon exercise of a warrant, notwithstanding anything to the contrary in such Rights Plan, including any rights agreement or documents or instruments entered into as part of such Rights Plan, the warrant holder will be entitled to receive, in addition to the shares of common stock issuable upon exercise of each warrant, a corresponding number of rights under such Rights Plan, unless (A) a Trigger Event occurs prior to such exercise, in which case the adjustments (if any are required) to the exercise price and the number of shares of common stock issuable upon exercise of the warrant with respect thereto will be made in accordance with clause (e)(i) above, or (B) the warrant holder has provided written notice to Occidental that it has elected not to receive such rights.

(iv) Any adjustment to the exercise price and the number of shares of common stock issuable upon exercise of each warrant will be made subject in all respects to the other anti-dilution adjustment provisions of the Warrant Agreement (but without duplication); *provided* that certain limitations, as described in the Warrant Agreement, apply.

In addition, we may, but will not be required to, make such decreases in the exercise price, in addition to those required by the above provisions, as our board of directors considers to be advisable for any reason, including, without limitation, in order to avoid or diminish any income tax to any holders of shares of common stock or to any warrant holders resulting from any dividend or distribution of stock or from any event treated as such for income tax purposes or for any other reason.

All calculations made pursuant to the adjustment provisions described above will be made to the nearest one-tenth (1/10th) of a cent or to the nearest one-hundredth (1/100th) of a share, as the case may be. No adjustment in the exercise price or the number of shares of common stock into which a warrant is exercisable will be made if the amount of such adjustment would be less than \$0.01 or one-tenth (1/10th) of a share of common stock, but any such amount will be carried forward and an adjustment with respect thereto will be made at the time of and together with any subsequent adjustment that, together with such amount and any other amount or amounts so carried forward, will aggregate \$0.01 or 1/10th of a share of common stock, or more.

In any case in which the above provisions require that an adjustment become effective immediately after a record date for an event, Occidental may defer until the occurrence of such event (i) issuing to the holder of a warrant exercised after such record date and before the occurrence of such event the additional shares of common stock issuable upon such exercise by reason of the adjustment required by such event over and above the shares of common stock issuable upon such exercise before giving effect to such adjustment and (ii) paying to such warrant holder any amount of cash in lieu of a fractional share of common stock; *provided, however*, that Occidental upon request will deliver to such warrant holder a due bill or other appropriate instrument evidencing such warrant holder's right to receive such additional shares, and such cash, upon the occurrence of the event requiring such adjustment.

Any adjustments will be made successively whenever an event referred to above occurs. If an adjustment in exercise price made pursuant to the above provisions would reduce the exercise price to an amount below the par value of the common stock, then such adjustment will reduce the exercise price to the par value of the common stock.

Business Combinations and Reorganizations

In the event of a merger, consolidation, statutory share exchange or similar transaction that requires the approval of our stockholders (a "Business Combination") or reclassification of common stock, other than a reclassification of common stock referred to in "Anti-dilution Adjustments" above, the right of a warrant holder to receive common stock upon exercise of a warrant will be converted into the right to exercise a warrant to acquire the number of shares of stock or other securities or property (including cash) that the common stock issuable (at the time of such Business Combination or reclassification) upon exercise of such warrant immediately prior to such Business Combination or reclassification would have been entitled to receive upon consummation of such Business Combination or reclassification (the amount of such shares, other securities or property in respect of a share of common stock being herein referred to as a "Unit of Reference Property"). If the Business Combination causes the common stock to be converted into, or exchanged for, the right to receive more than a single type of consideration (determined based in part upon any form of stockholder election), then the composition of the Unit of Reference Property into which the warrants will be exercisable will be deemed to be the weighted average of the types and amounts of consideration actually received by the holders of common stock per share of common stock.

Occidental Petroleum Corporation Savings Plan

Amended and Restated

Effective as of January 1, 2021

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Article 1. Introduction

1.1 Restatement of Plan

Effective as of January 1, 2021, 2020, Occidental Petroleum Corporation (“Company”) hereby amends and restates the Occidental Petroleum Corporation Savings Plan (“Plan”) to make amendments and changes as reflected herein. The provisions of this restatement shall be effective as of January 1, 2021, except as follows or as otherwise specifically provided in this document. Where a particular provision of this restatement has an effective date earlier than January 1, 2021, the relevant provision of this restatement shall supersede the corresponding provision of the prior version of the Plan as of the earlier effective date. Where a particular provision of this restatement has an effective date later than January 1, 2021, the relevant provision of the prior version of the Plan shall continue to apply prior to such effective date.

1.2 Purpose and Applicability of the Plan

This Plan is intended to encourage and assist Eligible Employees in adopting a regular program of savings to provide additional security for their retirement. Except as otherwise provided herein, the provisions of this Plan restatement are applicable only to Eligible Employees on or after January 1, 2021. Unless otherwise explicitly provided in this Plan restatement, the Plan provisions in effect prior to this restatement shall continue to govern the terms and conditions of the Plan prior to January 1, 2021.

Notwithstanding any contrary Plan provision, if any modification of ERISA or the Code (or regulations or rulings thereunder) requires that a conforming Plan amendment be adopted as of a stated effective date in order for the Plan to continue to be a qualified plan, this Plan shall be operated in accordance with such requirements until the date when a conforming Plan amendment is adopted.

1.3 Structure of the Plan

The Plan is intended to qualify as a stock bonus plan under Code section 401(a) that includes a qualified cash or deferred arrangement under Code section 401(k)(2).

Effective June 1, 2002, to enable the deduction on dividends paid on certain employer securities as permitted by Code section 404(k), the Matching Accounts, or portions thereof, invested in the Oxy Stock Fund under the Plan, at any point in time and in the aggregate, are intended to qualify, and are hereby designated, as an employee stock ownership plan (“ESOP”), within the meaning of Code section 4975(e)(7). Effective July 19, 2007, to expand the availability of the deduction on dividends paid on employer securities as permitted by Code section 404(k), the ESOP is expanded to include the Oxy Stock Fund and the portions of Matching Accounts not invested in the Oxy Stock Fund shall cease to constitute part of the ESOP. On or before July 18, 2007, the Matching Accounts, or portions thereof, invested in the Oxy Stock Fund under the Plan, at any point in time, taken together, and effective on or after July 19, 2007, all assets invested in the Oxy Stock Fund at any point in time, regardless of funding source, constitute an “eligible individual account plan,” as defined in ERISA section 407(d)(3), which explicitly provides for the acquisition and holding of and investment primarily in shares of Oxy Stock which constitute “qualifying employer securities,” as described in Code section 4975(e)(8), and “employer securities,” as defined in Code section 409(l).

The Company intends that the Plan and the ESOP together shall constitute a single plan under ERISA and the Code. Accordingly, the provisions set forth in the other sections of the Plan shall apply to the ESOP in the same manner as those provisions apply to the remaining portions of the Plan, except to the extent that those provisions are by their terms inapplicable to the ESOP, or to the extent that they are inconsistent with the specific provisions set forth herein. Except as set forth in specific provisions herein that are related to the ESOP, including but not limited to Plan section 9.5, the designation of any portion of the Plan constituting part of the ESOP shall not affect any Beneficiary designations or any other applicable agreements, elections or consents that Participants, Spouses, Alternate Payees or Beneficiaries validly executed under the terms of the Plan before June 1, 2002, the effective date of the ESOP; and such designations, agreements, elections, and consents shall apply under the ESOP in the same manner as they apply under the Plan.

Article 2. Definitions and Construction

2.1 Definitions

Whenever used in the Plan, the following terms shall have the respective meanings set forth below, unless otherwise expressly provided; and when the defined meaning is intended, the term is capitalized.

- a. **“Account”** means the separate recordkeeping account maintained for each Participant which represents his or her total proportionate interest in the Trust Fund and which consists of the sum of following:
- (1) After-Tax Account;
 - (2) After-Tax Rollover Account;
 - (3) In-Plan Roth Rollover Account;
 - (4) Matching Account;
 - (5) Pre-Tax Account;
 - (6) Rollover Account;
 - (7) Roth Account; and
 - (8) Roth Rollover Account.

The term “Account” shall also include any separate account established on behalf of an Alternate Payee pursuant to a Qualified Domestic Relations Order or a Beneficiary following the Participant’s death.

- b. **“Accounting Date”** means any day on which trading occurs on the New York Stock Exchange.
- c. **“ACP Test”** means the average contribution percentage test performed in accordance with Plan section 6.4.
- d. **“Active Participant”** means any Eligible Employee who:
- (1) Has met the requirements to become a Participant as set forth in Article 3,
 - (2) Continues to be employed as an Eligible Employee, and
 - (3) Has not become an Inactive Participant or Former Participant.
- e. **“Actual Deferral Percentage”** means, for each group of Participants for any period, the average of the ratios (calculated separately for each Participant in each group) of Pre-Tax Deferrals and/or Roth Contributions taken into account under the rules of this paragraph made on behalf of the Participant for the Plan Year to that Participant’s Testing Compensation earned while a Participant for the Plan Year. Such ratios and the Actual Deferral Percentage for each group shall be calculated to the nearest one-hundredth of

1 percent of a Participant's Testing Compensation. If Pre-Tax Deferrals or Roth Contributions cannot be taken into account under the ADP Test because they do not meet the following rules, then such amount must satisfy the nondiscrimination requirements of Code section 401(a)(4) for the Plan Year for which they are made. The following rules shall apply in determining the Average Deferral Percentages:

- (1) Pre-Tax Deferrals and Roth Contributions shall be taken into account for the Plan Year in determining a Participant's Actual Deferral Percentage only if all of the following requirements are met:
 - (a) The Pre-Tax Deferral and/or Roth Contribution is allocated as of a date in the Plan Year and the allocation is not contingent on the Participant's participation in the Plan or performance of services for an Employer after the allocation date.
 - (b) The Pre-Tax Deferral and/or Roth Contribution is contributed to the Trust Fund no more than 12 months after the last day of the Plan Year.
 - (c) The Pre-Tax Deferral and/or Roth Contribution is made on account of the Participant's election to reduce Earnings that would otherwise be paid within that Plan Year. Notwithstanding the foregoing, to the extent elected by the Administrative Committee on a uniform basis, Pre-Tax Deferrals and/or Roth Contributions may be taken into account for the Plan Year if they are attributable to services performed during the Plan Year and, but for the Participant's election to reduce Earnings, would have been received by the Participant after the last day of the Plan Year but within 2½ months after the last day of the Plan Year. If the Administrative Committee makes this election for a Plan Year, then the Pre-Tax Deferrals and/or Roth Contributions shall be taken into account only in the ADP Test (or the ACP Test) for that Plan Year and shall not be taken into account in the ADP Test (or the ACP Test) for any other Plan Year.
- (2) If any Highly Compensated Employee is a participant under two or more qualified cash or deferred arrangements of the Company or any Affiliate (including this Plan), all such cash or deferred arrangements shall be treated as one such arrangement for purposes of determining the Actual Deferral Percentage of the Highly Compensated Employee, except as provided in Treasury Regulations section 1.401(k)-2(a)(3)(ii).
- (3) Pre-Tax Deferrals and/or Roth Contributions of Highly Compensated Employees for the Plan Year shall include Excess Deferrals, whether or not such Excess Deferrals are distributed under Plan section 6.1.
- (4) Pre-Tax Deferrals and/or Roth Contributions taken into account under the ACP Test of Plan section 6.4 for the Plan Year shall not be taken into account under the ADP Test of this Plan section for the same or any other Plan Year.

- (5) Pre-Tax Deferrals and/or Roth Contributions made pursuant to Code section 414(u) shall not be taken into account for purposes of the ADP Test (or the ACP Test) for the Plan Year in which they are made or in any other Plan Year.
- f. **“ADP Test”** means the actual deferral percentage test performed in accordance with Plan section 6.2.
- g. **“Adjustment Contributions”** means Pre-Tax Deferrals and/or Roth Contributions which are recharacterized as After-Tax Contributions in order to comply with nondiscrimination tests of Code sections 401(k) and 401(m), as described in Plan sections 6.2 and 6.4. To the extent required by Treasury Regulations section 1.401(m)-2(b)(3), Adjustment Contributions after recharacterization shall be treated as:
- (1) After-Tax Contributions for purposes of Code sections 72, 401(a)(4), and 401(m); and
 - (2) Pre-Tax Deferrals and/or Roth Contributions for purposes of Code sections 401(a) (other than Code sections 401(a)(4), 401(k), and 401(m)), 404, 409, 411, 415, 416, and 417.
- h. **“Administrative Committee”** means the committee whose members are appointed by the Fiduciary Appointment Officer to administer the Plan in accordance with the applicable provisions of this Plan, including Article 12.
- i. **“Affiliate”** means:
- (1) Any business entity while it is controlled by or under common control with the Company within the meaning of Code sections 414 and 1563, or
 - (2) Any member of an affiliated service group, within the meaning of Code section 414(m), of which the Company or any Affiliate is a member; and
 - (3) Any entity which, pursuant to Code section 414(o) and related Treasury Regulations, must be aggregated with the Company or any Affiliate for plan qualification purposes.
- For purposes of paragraph (1), the determination of control shall be made without reference to paragraphs (a)(4) and (e)(3)(C) of Code section 1563. For the purposes of applying the limitations of Plan sections 2.1(sss) and 6.6, the phrase “more than 50 percent” shall be substituted for the phrase “at least 80 percent” each place it appears in Code section 1563(a)(1).
- j. **“After-Tax Account”** means the recordkeeping account which evidences the value of After-Tax Contributions and any Adjustment Contributions, including related investment gains and losses of the Trust Fund.
- k. **“After-Tax Contributions”** means the voluntary contributions made by a Participant to the Plan on an after-tax basis, as described in Plan section 4.1.

- l. **“After-Tax Rollover Account”** means the recordkeeping account which evidences the value of After-Tax Rollover Contributions, including related investment gains and losses of the Trust Fund.
- m. **“After-Tax Rollover Contributions”** means the eligible after-tax contributions made at the direction of the Employee pursuant to Plan section 10.12 on or after January 1, 2020.
- n. **“Alternate Payee”** means, with respect to a Participant, any Spouse, former Spouse, child, or other dependent of that Participant, who is an alternate payee, within the meaning of Code section 414(p)(8), and who is recognized by a Qualified Domestic Relations Order as having the right to receive all or a portion of the benefits payable under the Plan with respect to the Participant.
- o. **“Annual Addition”** means the sum of the amounts described in Plan section 6.6(b).
- p. **“Annual Bonus”** means up to the first \$100,000 of bonus paid from an Employer to an Active Participant, who is not a “named executive officer,” as that term is defined in Regulations S-K under the Securities Exchange Act of 1934 (17 CFR §229.402(a)(3)), during the Plan Year under a regular annual incentive compensation plan, such as the Company’s Variable Compensation Program or Incentive Compensation Program (but excluding without limitation a special individual or group bonus, a project bonus, and any other special bonus).
- q. **“Average Contribution Percentage”** means, for each group of Participants for any period, the average of the ratios (calculated separately for each Participant in each group) of the sum of Matching Contributions, After-Tax Contributions, and Adjustment Contributions made on behalf of the Participant for the Plan Year to that Participant’s Testing Compensation earned while a Participant for the Plan Year. Such ratios and Average Contribution Percentage for each group shall be calculated to the nearest one-hundredth of 1 percent of an Eligible Employee’s Testing Compensation. If Matching Contributions, After-Tax Contributions or Adjustment Contributions cannot be taken into account under the ACP Test because they do not meet the following rules, then such amount must satisfy the nondiscrimination requirements of Code section 401(a)(4) for the Plan Year for which they are made. The following rules shall apply in determining the Average Contribution Percentages:
 - (1) After-Tax Contributions shall be taken into account in determining a Participant’s Average Contribution Percentage for the Plan Year that the After-Tax Contributions are transferred to the Trust Fund. For this purpose, an After-Tax Contribution is treated as transferred to the Trust Fund at the time it would have been paid to the Participant if it is transferred to the Trust Fund within a reasonable time after the amount is withheld from the Participant’s Earnings.
 - (2) Adjustment Contributions are taken into account in determining a Participant’s Average Contribution Percentage for the Plan Year in which the Adjustment Contributions are includible in the gross income of the Participant.

- (3) Matching Contributions are taken into account in determining a Participant's Average Contribution Percentage for the Plan Year only if all of the following are met:
 - (a) The Matching Contribution is made on account of the Participant's Pre-Tax Deferrals, Roth Contributions or After-Tax Contributions for the Plan Year.
 - (b) The Matching Contribution is allocated to the Participant's Matching Account as of a date within the Plan Year.
 - (c) The Matching Contribution is transferred to the Trust Fund no more than 12 months after the last day of the Plan Year.
 - (4) Any Matching Contributions that are forfeited because the Pre-Tax Deferrals, Roth Contributions or After-Tax Contributions to which they relate are determined to be an Excess Deferral, an Excess Contribution, or an Excess Aggregate Contribution for the Plan Year are not taken into account in determining a Participant's Average Contribution Percentage for the Plan Year.
 - (5) If any Highly Compensated Employee is a participant under two or more Qualified Plans of the Company or any Affiliate (including this Plan) that provide for matching contributions or after-tax contributions, all such contributions made by or on behalf of the Highly Compensated Employee under such Qualified Plans during the 12-month period that coincides with the Plan Year shall be taken into account in determining the Average Contribution Percentage of the Highly Compensated Employee, except as provided in Treasury Regulations section 1.401(m)-2(a)(3)(ii).
 - (6) Matching Contributions and After-Tax Contributions made pursuant to Code section 414(u) shall not be taken into account for purposes of the ACP Test for the Plan Year in which they are made or in any other Plan Year.
 - (7) Subject to the conditions prescribed and to the extent permitted by Treasury Regulations section 1.401(m)-2(a)(6)(ii), the Administrative Committee may elect to take into account Pre-Tax Deferrals and Roth Contributions in computing Average Contribution Percentages.
- r. **"Base Pay"** means the base salary and wages earned by an Active Participant from an Employer for services rendered, including amounts of Pre-Tax Deferrals, Roth Contributions and amounts contributed pursuant to the Pre-Tax Spending Program.
- (1) Base Pay does not include:
 - (a) Bonuses, incentives, overtime, shift differential, and overseas differentials;
 - (b) Reimbursement for expenses or allowances, including automobile allowances and moving allowances;

- (c) Any amount contributed by the Employer (other than Pre-Tax Deferrals, Roth Contributions and amounts contributed pursuant to the Pre-Tax Spending Program) to any pension plan or plan of deferred compensation;
 - (d) Any amount contributed by an Employer (in addition to Pre-Tax Deferrals, Roth Contributions and Catch-Up Contributions) to this Plan;
 - (e) Any amount paid by an Employer for other fringe benefits, such as health and hospitalization, and group life insurance benefits, or perquisites; and
 - (f) Allowances paid during furlough and, for purposes of paragraph (2)(F) below, such furloughs shall not be treated as paid leaves of absence.
- (2) Base Pay is determined in accordance with the following rules:
- (a) For Active Participants compensated by salary, Base Pay means the actual base salary of record paid to the Active Participant (subject to the exclusions listed above).
 - (b) For Active Participants compensated based on mileage driven (primarily truck drivers), Base Pay means the number of miles driven multiplied by the applicable mileage pay rate (subject to the exclusions listed above), plus the Active Participant's scheduled number of hours worked in the pay period multiplied by the Active Participant's base hourly rate (subject to the exclusions listed above).
 - (c) For Active Participants compensated at an hourly rate, Base Pay means the base hourly rate (subject to the exclusions listed above) multiplied by the number of regularly scheduled hours worked in a pay period. If the Active Participant's regularly scheduled work week is more than 40 hours, Base Pay shall include an additional amount equal to the base hourly rate (subject to the exclusions listed above) times one half the number of regularly scheduled hours worked in excess of 40 in the work week.
 - (d) For Active Participants compensated on an eight, ten, twelve, or some other assigned hour Shift Basis and whose annual Base Pay is pre-determined under the Company's payroll recordkeeping, Base Pay for each pay period shall be the Active Participant's pre-determined annual Base Pay (subject to the exclusions listed above) divided by the number of pay periods applicable to the Active Participant during the Plan Year. For the purpose of this subsection, the term "Shift Basis" means any arrangement whereby Active Participants work the assigned hour daily shifts which may result in alternating work weeks of more and less than 40 hours per week.
 - (e) Base Pay includes paid time off and vacation pay received in periodic payments and annual paid time off and vacation payments made to

Employees paid by commission but does not include single sum paid time off and vacation payments to active or terminating Employees.

- (f) Base Pay includes base salary or wages received during paid leaves of absence and periodic notice pay, but, effective July 1, 2006, Base Pay does not include single sum notice pay payments or any severance pay payments.
- (g) Base Pay does not include long-term disability payments or payments made to any Participant pursuant to the Occidental Chemical Corporation Weekly Sickness and Accident Plan unless:
 - (i) Such payments are made to the Participant through the payroll accounting department of the Company or an Affiliate, and
 - (ii) The Participant is ineligible for participation in the Retirement Plan.
- (h) Base Pay includes any payment to a Participant who does not currently perform services for an Employer by reason of qualified military service (within the meaning of Code section 414(u)(1)) to the extent that the payment does not exceed the amount that the Participant would have received if the Participant continued to perform services for the Employer rather than entering qualified military service.

s. **“Beneficiary”** means the person or persons (who may be named contingently or successively) designated by a Participant, an Alternate Payee, or a Beneficiary of a deceased Participant or a deceased Alternate Payee to receive his or her Account in the event of death.

If no Beneficiary is designated at the time of the Participant’s or Alternate Payee’s death, or at the time of death of the Beneficiary of a deceased Participant or Alternate Payee, or if no person so designated shall survive the Participant, Alternate Payee, or Beneficiary of a deceased Participant or Alternate Payee, the Beneficiary shall be the deceased person’s Spouse, or if the deceased individual has no surviving Spouse, his or her surviving children equally, or if there are no surviving children, his or her surviving parents equally, or if only one parent is living, his or her living parent, or if no parent is living, his or her surviving siblings equally, or if only one sibling is living, his or her surviving sibling, or if no sibling is living, his or her estate.

The designation by a married Participant of someone other than the Participant’s Spouse as a Beneficiary shall be invalid unless:

- (1) The Spouse consents in writing to the designation of any specific non-Spouse Beneficiary which may not be changed without the Spouse’s consent (unless the Spouse’s consent expressly permits the Participant to change Beneficiary designations without further consent by the Spouse);
- (2) The consent acknowledges the effect of such designation; and

(3) The consent is notarized.

No spousal consent shall be required if it is established to the satisfaction of the Plan representative that such consent cannot be obtained because there is no Spouse or because the Spouse cannot be located.

Notwithstanding the foregoing, where an Employee becomes a Participant through merger of his or her account from another plan into this Plan, "Beneficiary" means the person or persons so designated under such other plan until a new Beneficiary designation is effected as described above by such Employee.

t. **"Board"** means the Board of Directors of the Company.

u. **"Catch-Up Contributions"** means the contributions made by the Employer, on or after June 30, 2002, on behalf of an Active Participant, who will have attained age 50 before the last day of the Plan Year, on a Pre-Tax and/or Roth basis as elected by the Participant pursuant to Plan section 4.2. Catch-Up Contributions for the Plan Year may not exceed the limit in effect for such Plan Year under Code section 414(v)(2)(B)(i), as adjusted pursuant to Code section 414(v)(2)(C).

v. **"Code"** means the Internal Revenue Code of 1986, as amended. Each Code reference in this Plan shall be deemed to include reference to any comparable or succeeding statutory provision which supplements or replaces such Code reference.

w. **"Company"** means Occidental Petroleum Corporation.

x. **"Covered Employee"** means a Participant who is covered under the Plan's eligible automatic contribution arrangement under Section 4.6. Prior to October 8, 2019, a Covered Employee will include all Eligible Employees hired on or after August 5, 2016, excluding interns and temporary employees, and on and after October 8, 2019, a Covered Employee will include all Eligible Employees (including Eligible Employees hired prior to August 5, 2016).

y. **"Disability"** means the disability of:

- (1) Any Active Participant who is determined to be disabled under section 423 of Title 42 of the U. S. Code and who receives disability insurance benefits thereunder; or
- (2) Any Active Participant who is a participant in the Occidental Petroleum Corporation Long-Term Disability Plan or, prior to March 1, 2002, the OxyVinyls, LP Long-Term Disability Plan and who is determined to be disabled therein under the definition of "disability" applicable to the period beginning 24 months after the commencement of disability and who receives benefits thereunder.

An Active Participant shall be considered to have incurred the Disability as of the time of the commencement of the disability benefits as described above while the Active Participant was an Employee.

A Former Participant shall be considered to have incurred the Disability and retroactively vest upon receipt of more than 18 months of benefits under the Occidental Petroleum Corporation Long-Term Disability Plan.

A Participant who claims to have incurred the Disability as a result of being determined to be disabled under section 423 of Title 42 of the U.S. Code must give written notice thereof to the Administrative Committee and submit, at the expense of the Participant, to the Administrative Committee such evidence of Disability as the Administrative Committee may require. Failure by a Participant to comply with the foregoing requirements shall be deemed conclusive evidence that such Participant has not incurred the asserted Disability. All rules with respect to the determination of Disability shall be uniformly and consistently applied to all Participants in similar circumstances.

- z. **“Earnings”** means the sum of Base Pay and Annual Bonus paid to an Active Participant by an Employer during the Plan Year. Effective for Plan Years beginning after 2001, the annual Earnings of each Participant taken into account in determining allocations for any Plan Year shall not exceed \$200,000, as adjusted for cost-of-living increases in accordance with Code section 401(a)(17)(B).
- aa. **“Eligible Dividends”** means, as further described in Plan section 11.2:
 - (1) Between June 1, 2002 and July 18, 2007, dividends paid on Oxy Stock held in the Oxy Stock Fund attributable to the Participant’s Matching Account constituting the ESOP portion of the Plan; and
 - (2) On or after July 19, 2007, dividends paid on Oxy Stock held in the Oxy Stock Fund constituting the ESOP portion of the Plan.
 - (3) Eligible Dividends paid on Oxy Stock held in the Oxy Stock Fund attributable the Participant’s Matching Account shall be reflected in the Participant’s Matching Account. Eligible Dividends paid on Oxy Stock held in the Oxy Stock Fund attributable to other than the Participant’s Matching Account shall be reflected for recordkeeping purposes in the After-Tax Account, Pre-Tax Account, Rollover Account, Roth Account or Roth Rollover Account from which the Eligible Dividend is derived.
- ab. **“Eligible Employee”** means any Employee who is employed by an Employer, unless excluded under one or more of the following categories of Employees:
 - (1) Represented Employees where retirement benefits were the subject of good faith bargaining between the Employer and the union, unless the collective bargaining agreement covering the Represented Employees expressly provides participation in the Plan. Represented Employees covered by collective bargaining agreements providing for their participation in the Plan became Eligible Employees as of the dates noted in Appendix A.

- (2) Employees who are nonresident aliens who receive no earned income from the Employer which constitutes U.S.-source income under Code section 861(a)(3), unless the Administrative Committee expressly makes the Plan available to such an Employee.
- (3) Leased Employees.
- (4) Employees of Occidental Oil and Gas Corporation who immediately before January 1, 2008 were eligible employees under the THUMS Long Beach Company Savings and Investment Plan (as defined in that plan) and who thus continue to participate under that plan. Notwithstanding the previous sentence, effective July 1, 2008, Employees of Occidental Oil and Gas Corporation who immediately before July 1, 2008 were eligible employees under the THUMS Long Beach Company Savings and Investment Plan (as defined in that plan) shall be Eligible Employees under this Plan.
- (5) Effective August 8, 2019, any Employee of Anadarko Petroleum Corporation who is not a citizen or legal resident of the United States and is not regularly employed at a worksite of Employer within the United States.

ac. **“Employee”** means any person employed by the Company or an Affiliate.

Notwithstanding any other provision of this subsection, no individual shall be an Employee if such individual is not classified as a common-law employee in the employment records of the Company or an Affiliate, without regard to whether the individual is subsequently determined to have been a common-law employee of the Company or an Affiliate. The persons excluded by this paragraph from being Employees are to be interpreted broadly to include and to have at all times included individuals engaged by the Company or an Affiliate to perform services for such entity in a relationship that the entity characterizes as other than an employment relationship, such as where the Company or the Affiliate engages the individual to perform services as an independent contractor or leases the individual’s services from a third party. The exclusion of the individual from being an Employee shall apply even if a determination is subsequently made by the Internal Revenue Service, another governmental agency, a court or other tribunal, after the individual is engaged to perform such services, that the individual is an Employee of the Company or Affiliate for purposes of pertinent Code sections or for any other purpose.

ad. **“Employer”** means the Company and any Affiliate which is designated, in accordance Article 14, by the Board or, if authorized by the Board, the Administrative Committee and which adopts the Plan. Affiliates which are not corporations are not eligible to be Employers under the Plan.

ae. **“ESOP”** means, as further described in Plan section 1.3:

- (1) Between June 1, 2002 and July 18, 2007, the portion of the Plan comprised of the Matching Accounts, or portions thereof, invested in the Oxy Stock Fund under the Plan, at any point in time and in the aggregate, and
 - (2) On or after July 19, 2007, the Oxy Stock Fund, at any point in time and in the aggregate.
- af. **“Excess Aggregate Contribution”** means the amount contributed by or on behalf of a Highly Compensated Employee in excess of the ACP Test limit, as specified in Plan section 6.5.
 - ag. **“Excess Contribution”** means the amount deferred by a Highly Compensated Employee in excess of the ADP Test limit, as specified in Plan section 6.3.
 - ah. **“Excess Deferral”** means the amount deferred by a Participant on a Pre-Tax or Roth basis in excess of the dollar limit specified in Plan section 6.1.
 - ai. **“ERISA”** means the Employee Retirement Income Security Act of 1974, as from time to time amended. Each ERISA reference in this Plan shall be deemed to include reference to any comparable or succeeding statutory provision which supplements or replaces such ERISA reference.
 - aj. **“Fiduciary Appointment Officer”** means the Vice President of Human Resources of the Company (or the successor to such position) or his or her designee.
 - ak. **“Former Participant”** means an Active Participant or Inactive Participant who has had a Separation from Service, but whose Account has not been fully distributed.
 - al. **“Highly Compensated Employee”** means an Employee described in Code section 414(q) and includes any Employee who:
 - (1) Was a 5-percent owner (as defined in Code section 416(i)(1)(B)(i)) at any time during the Plan Year or the preceding Plan Year; or
 - (2) For the preceding Plan Year, received Section 415 Compensation in excess of \$80,000 (as adjusted by reference to Code section 414(q)(1)) and, with respect to Plan Years commencing on and after January 1, 2020, was a member of the top-paid group during the look back year.

Employees who are nonresident aliens and who receive no U.S.-source income shall not be counted as Employees when identifying Highly Compensated Employees. In determining Highly Compensated Employees, the Administrative Committee may make any of the elections permitted under Code section 414(q), IRS Notice 97-45 and any future guidance provided by the Internal Revenue Service.

A Former Participant shall be treated as a former Highly Compensated Employee if the Participant was a Highly Compensated Employee in a separation year, as defined in Treasury Regulations section 1.414(q)-1T, Q&A 5, or after the date on which the participant attained age 55.

The top-paid group consists of the top 20% of Employees ranked on the basis of Section 415 Compensation received during the look-back year. For purposes of determining the number of Employees in the top-paid group, the following shall be excluded: (A) any Employee who is a nonresident alien with respect to the United States who receives no income with a source within the United States from the Company or any Affiliate; (B) any Employee who has not completed at least six (6) months of service at the end of the year; (C) any Employee who normally works less than 17½ hours per week; (D) any Employee who normally works no more than six months during any year; and (E) any Employee who has not attained the age of twenty one (21) at the end of the year.

- am. **“Inactive Participant”** means an Employee who was an active Participant but who is transferred to and is in a position of employment where he is no longer an Eligible Employee, as described in Plan section 3.3(b).
- an. **“In-Plan Roth Rollover Account”** means the recordkeeping account which evidences the value of In-Plan Roth Rollover Contributions, including gains and losses of the Trust Fund.
- ao. **“In-Plan Roth Rollover Contributions”** means the eligible contributions made at the direction of the Employee in accordance with Code section 402A(c)(4) and Plan section 7.8.
- ap. **“Investment Committee”** means the committee whose members are appointed by the Fiduciary Appointment Officer to administer the investments of the Plan.
- aq. **“Investment Fund”** means funds that have been approved by the Investment Committee for investment in the Trust Fund and includes the Oxy Stock Fund. The Investment Committee may, from time to time in its discretion and in exercise of its fiduciary responsibilities, select different funds, add to the set of available funds, close funds to new investment, or remove one or more funds (except the Oxy Stock Fund).
- ar. **“Leased Employee”** means any person within the meaning of Code section 414(n)(2) who is not reported on the payroll records of the Company or any Affiliate as a common law employee and who provides services to the Company or an Affiliate, but only if the services are provided under an agreement between the Company or Affiliate and a leasing organization, the person has performed services for the Company and Affiliates on a substantially full time basis for a period of at least one year, and the services are performed under the primary direction or control of the Company or Affiliate that is the service recipient.

Contributions or benefits provided to a Leased Employee by the leasing organization which are attributable to services performed for the Company and Affiliates will be treated as provided by the Company or Affiliate. If a Leased Employee subsequently becomes an Eligible Employee, Service as a Leased Employee will be credited under the Plan to the extent required by Code section 414(n).

Notwithstanding the foregoing, an individual will not be a Leased Employee for a Plan Year for nondiscrimination testing or for any other purpose, if either paragraph (1) or (2) is applicable to that individual for that Plan Year.

- (1) The individual is covered by a money purchase pension plan meeting the requirements of Code section 414(n)(5) (B) and Leased Employees, determined without regard to the limitation in this paragraph, do not constitute more than 20% of all Non-highly Compensated Employees of the Company and all Affiliates.
- (2) All requirements of this paragraph are satisfied for that Plan Year and each previous Plan Year with respect to which Code section 414(n) was effective with respect to the Company or any Affiliate.
 - (a) The Qualified Plans of the Company and all Affiliates exclude Leased Employees from participation and no such Qualified Plan is top-heavy (within the meaning of Code section 416);
 - (b) The number of leased persons, providing services to the Company and all Affiliates during the Plan Year, is less than 5% of the number of Employees (excluding such leased persons and Highly Compensated Employees) covered by any Qualified Plan maintained by the Company or any Affiliate at any time during such Plan Year. An individual is a leased person for this purpose if all of the following requirements are satisfied:
 - (i) During the Plan Year, the individual performs any services for the Company or any Affiliate, other than as an Employee, and the requirements of Code section 414(n)(2)(A) (relating to performing services pursuant to an agreement with the Company or any Affiliate) and Code section 414(n)(2)(C) (relating to performing services under the primary direction or control of the Company or any Affiliate) are satisfied.
 - (ii) During the Plan Year, the individual is credited with at least 1,500 hours of service, including service performed as an Employee and in any other capacity. For purposes of this subparagraph, “hours of service” has the same meaning as the term “hour of service” provided by Department of Labor Regulations section 2530.200b-2. If one of the equivalencies set forth in Department of Labor Regulations section 2530.200b-3 is used, such equivalency shall be used on a reasonable and consistent basis and the 1,500-hour requirement must be adjusted accordingly. With respect to determining whether an individual has satisfied the 1,500-hour requirement, reasonable approximations may be made.
 - (iii) The individual either:

- (1) Is not covered under a Qualified Plan as an Employee at any time during the Plan Year; or
- (2) Performs at least 501 hours of service (reasonably adjusted if one of the equivalencies set forth in Department of Labor Regulations section 2530.200b-3 is used) for the Company or any Affiliate other than as an Employee.

(c) The Administrative Committee has not been notified by the leased person and provided satisfactory evidence by the leased person that he or she is a Leased Employee.

- as. **“Nonhighly Compensated Employee”** means an Employee who is not a Highly Compensated Employee.
- at. **“Nonrepresented Employees”** means any Employee who is not a Represented Employee.
- au. **“Matching Account”** means the recordkeeping account which evidences the value of Matching Contributions and the value of Eligible Dividends paid on Oxy Stock held in the Participant’s Matching Account, including related investment gains and losses of the Trust Fund.
- av. **“Matching Contributions”** means the contributions made by the Employer pursuant to Plan section 5.2 on account of Pre-Tax Deferrals, Roth Contributions or After-Tax Contributions made on behalf of or by the Participant.
- aw. **“MidCon Corp. ESOP”** means the MidCon Corp. Employee Stock Ownership Plan as effective November 20, 1996.
- ax. **“Oxy Stock”** means the common stock of Occidental Petroleum Corporation, which is the class of stock having the greatest voting power and dividend rights. Oxy Stock is readily tradable on established securities market within the meaning of Treasury Regulation section 1.401(a)(35)-1(f)(5) for purposes of Code sections 401(a)(22), 401(a)(28)(C), 409(h)(1)(B), 409(l) and 1042(c)(1)(A).
- ay. **“Oxy Stock Fund”** means the Investment Fund that is invested primarily in Oxy Stock and such short-term interest-bearing securities as the Investment Committee or the Trustee considers advisable.
- az. **“Participant”** means an Active Participant, Inactive Participant, or a Former Participant, as applicable.
- ba. **“Plan Administrator”** for purposes of ERISA and the Code means the Administrative Committee.
- bb. **“Plan Amendment Officer”** means the Senior Vice President, Business Support of the Company (or the successor to such position) or his or her designee. On and after July 30, 2020, the Plan Amendment Officer means Mark Grommesh.
- bc. **“Plan Year”** means the calendar year.

- bd. **“Pre-Tax Account”** means the recordkeeping account which evidences the value of Pre-Tax Deferrals, including related investment gains and losses of the Trust Fund.
- be. **“Pre-Tax Deferrals”** means the contributions made by the Employer on behalf of the Participant on a Pre-Tax basis as elected by the Participant pursuant to Plan section 4.1.
- bf. **“Pre-Tax Spending Program”** means the Occidental Petroleum Corporation Flexible Spending Accounts Plan.
- bg. **“Qualified Domestic Relations Order”** means a qualified domestic relations order, within the meaning of Code section 414(p), which creates or recognizes the existence of an Alternate Payee’s right to, or assigns to an Alternate Payee the right to, receive all or a portion of the benefits payable to a Participant.
- bh. **“Qualified Plan”** means a plan, other than this Plan, which is qualified under Code section 401(a).
- bi. **“Represented Employee”** means any Employee, whose employment is subject to a collective bargaining agreement.
- bj. **“Retirement Plan”** means the Occidental Petroleum Corporation Retirement Plan.
- bk. **“Rollover Account”** means the recordkeeping account which evidences the value of Rollover Contributions, including related investment gains and losses of the Trust Fund.
- bl. **“Rollover Contributions”** means the eligible pre-tax contributions made at the direction of the Employee pursuant to Plan section 10.12.
- bm. **“Roth Account”** means the recordkeeping account which evidences the value of Roth Contributions, including related investment gains and losses of the Trust Fund, but excluding any forfeitures.
- bn. **“Roth Contributions”** means the contributions made by the Employer on behalf of the Participant on an after-tax basis as elected by the Participant pursuant to Plan section 4.1. A Participant’s Roth Contributions will be separately accounted for, as will gains and losses attributable thereto, in a separate account. Roth Contributions are not considered After-Tax Contributions for Plan purposes.
- bo. **“Roth Rollover Account”** means the recordkeeping account which evidences the value of Roth Rollover Contributions, including related investment gains and losses of the Trust Fund.
- bp. **“Roth Rollover Contributions”** means an eligible rollover contribution of any payment or distribution from another Roth rollover account of the Employee. A Participant’s Roth Rollover Contributions will be maintained in a separate account which includes any earnings properly allocable to such contributions and that will have separate recordkeeping.
- bq. **“Separation from Service”** means any termination of the employment relationship between an Employee and the Company and all Affiliates. A Separation from Service shall be deemed to occur upon the earlier of:

- (1) The date upon which the Employee quits, is discharged, is laid off, incurs a Disability, or dies; or
- (2) The first anniversary of the first day of a period in which the Employee is (and remains) absent from the Service for any reason (such as paid time off, vacation, sickness, or approved leave of absence) not enumerated in paragraph (1), provided that if an Employee is granted a leave of absence but fails to return to employment at the end of the leave period, Separation from Service will be deemed to have occurred upon the date the Employee was originally granted a leave of absence.
- (3) Notwithstanding paragraph (2), the Separation from Service date of an Employee who is absent from Service beyond the first anniversary of the first day of absence by reason of a maternity or paternity leave is the second anniversary of the first day of such absence. The period between the first and second anniversaries of the first day of absence from work is neither a period of Service nor a period of severance. For purposes of this paragraph, an absence from work for maternity or paternity reasons means an absence:
 - (a) By reason of the pregnancy of the individual;
 - (b) By reason of the birth of a child of the individual;
 - (c) By reason of the placement of a child with the individual in connection with the adoption of such child by such individual; or
 - (d) For purposes of caring for such child for a period beginning immediately following such birth or placement.

Effective for distributions after December 31, 2001, a transaction constituting a severance of employment, within the meaning of Code section 401(k)(2)(B)(i)(I), with respect to an Employee shall also be deemed to be a Separation from Service.

An Employee of an Employer who transfers to an Affiliate that is not an Employer shall not be treated as having a Separation from Service. Moreover, an Employee's date of quit or discharge shall not be deemed to occur until any periodic notice payments, short-term disability payments, or weekly sickness and accident payments cease.

An Employee who is on leave of absence in order to serve the Armed Forces of the United States shall not have a Separation from Service unless the Employee fails to report for work at the end of such leave and prior to expiration of the period in which the Employee has reemployment rights under law. The absence of any Employee who fails to return to work within the allotted time shall be subject to the provisions of paragraph (2).

- br. **“Service”** means the periods of employment credited using the elapsed time method described to an Employee under Plan section 3.4.
- bs. **“Section 415 Compensation”** means, with respect to a Participant for the period specified, the total cash and non-cash remuneration paid to a Participant by the Employer or an Affiliate, determined as follows:
- (1) Section 415 Compensation includes all amounts described in Treasury Regulations section 1.415-2(d)(2), including:
 - (a) All wages; bonuses; other amounts received (without regard to whether the amount is paid in cash) for personal services actually rendered in the course of employment with the Company or any Affiliate, to the extent that the amounts are includible in gross income for federal income tax purposes and for which the Company or Affiliate is required to furnish to the Participant a written statement under Code sections 6041(d), 6051(a)(3), and 6052;
 - (b) Amounts paid or reimbursed by the Company or Affiliate for moving expenses incurred by the Participant, but only to the extent that at the time of the payment it is reasonable to believe that these amounts are not deductible by the Participant under Code section 217; and
 - (c) The value of a nonqualified stock option granted to the Participant by the Company or Affiliate, but only to the extent that the value of the option is includible in the gross income of the Participant, for federal income tax purposes, for the taxable year in which granted.
 - (2) In addition, Section 415 Compensation includes all of the following:
 - (a) The Participant’s Pre-Tax Deferrals, Roth Contributions and Catch-Up Contributions for the Plan Year;
 - (b) Elective contributions that are excluded from the Participant’s gross income under a Code section 125 cafeteria plan maintained by the Participant’s Employer, such as the Pre-Tax Spending Program; and
 - (c) Any elective deferral, as defined in Code section 402(g)(3), made under a plan maintained by the Company or any Affiliate, and any amount which is contributed to or deferred by the Company or any Affiliate at the election of the Participant and which is not includible in the gross income of the Participant by reason of Code sections 125, 132(f)(4), 408(k), or 457.
 - (d) Effective July 1, 2006, Section 415 Compensation includes remuneration paid by the later of 2½ months after an Employee’s Separation from Service or the end of the Plan Year that includes the date of the Employee’s Separation from Service with the Company or an Affiliate, if:
 - (i) The payment is regular compensation for services during the Employee’s regular working hours, or compensation for services

outside the employee's regular working hours (such as overtime or shift differential), commissions, bonuses, or other similar payments, and, absent a Separation from Service, the payments would have been paid to the Employee while the Employee continued in employment with the Company or an Affiliate;

- (ii) The payment is for unused accrued bona fide sick, paid time off, vacation or other leave that the Employee would have been able to use if there had not been a Separation from Service;
- (iii) The payment is to an individual who does not currently perform services for the Company or any Affiliate by reason of qualified military service (within the meaning of Code section 414(u)(1)) to the extent the payment does not exceed the amount the individual would have received if the individual had continued to perform services for the Company or an Affiliate rather than entering qualified military service; or
- (iv) Compensation paid to a Participant who is permanently and totally disabled (as defined in Code section 22(e)(3)), provided that salary continuation applies to all Participants who are permanently and totally disabled for a fixed or determinable period.

Any payment not described above shall not be considered Section 415 Compensation if paid after a Separation from Service, even if paid by the later of 2½ months after the Separation from Service or the end of the Plan Year that includes the Separation from Service. Back pay shall be treated as Section 415 Compensation for the Plan Year to which the back pay relates to the extent the back pay represents wages and compensation that would otherwise be included under this definition.

- (3) However, Section 415 Compensation excludes all amounts described in Treasury Regulations section 1.415-2(d)(3), including the following amounts:
 - (a) Any contributions made by the Company or any Affiliate to a plan of deferred compensation to the extent that, before the application of the limitations of Code section 415 to that plan, the contributions are not includible in the gross income of the employee for the taxable year in which contributed;
 - (b) Distributions from a plan of deferred compensation, regardless of whether such amounts are includible in the gross income of the employee when distributed; provided, however, that distributions from and any amounts received by the Participant pursuant to an unfunded nonqualified plan are included in Section 415 Compensation in the year the amounts are includible in the gross income of the Participant;

- (c) Amounts realized from the exercise of a nonqualified stock option, or when restricted stock or property held by the Participant either becomes freely transferable or is no longer subject to a substantial risk of forfeiture;
- (d) Amounts realized from the exercise of an incentive stock option, as defined in Code section 422, or the sale, exchange, or other disposition (including a disqualifying disposition) of stock acquired through the exercise of an incentive stock option;
- (e) Amounts realized from the sale, exchange, or other disposition of stock acquired under an employee stock purchase plan, as defined in Code section 423; and
- (f) Other amounts which receive special tax benefits, such as premiums for group-term life insurance, but only to the extent that the premiums are not includible in the gross income of the employee for federal income tax purposes.

- bt. **“Spouse”** means the individual of the opposite sex and, effective as of June 26, 2013, also includes an individual of the same sex, to whom a Participant is married, where the marriage was valid at the time the marriage ceremony was performed, in a state or foreign jurisdiction (the “Jurisdiction”) having legal authority to sanction such marriage, provided that such marriage has not subsequently been legally dissolved. For purposes of the Plan, such a marriage shall be treated as valid even if the couple is domiciled in a Jurisdiction that does not recognize the validity of the marriage. Notwithstanding the foregoing, for the period beginning June 26, 2013 and ending September 15, 2013, the Plan may be administered to recognize only those marriages between members of the same sex where the couple was domiciled in a Jurisdiction where the validity of the marriage was recognized during such period. For purposes of the Plan, the term “marriage” does not include a registered domestic partnership, civil union or other similar formal relationship recognized under the laws of a Jurisdiction but which is not recognized as a marriage under that Jurisdiction, even if state law provides that persons in these relationships have the same rights, protections, and benefits, under state law, as married persons.
- bu. **“Stable Value Fund”** means the fund selected by the Investment Committee that is invested in stable value contracts which state a given interest rate to be paid on account balances.
- bv. **“Supplemental Plan Participant”** means a Participant in this Plan who is or was also a participant in the Occidental Petroleum Corporation Supplemental Retirement Plan, effective through December 31, 2004, or the Occidental Petroleum Corporation Supplemental Retirement Plan II, effective as of January 1, 2005, as determined under Appendix F to this Plan.
- bw. **“Testing Compensation”** means, for purposes of the ADP Test and ACP Test, compensation within the meaning of Code section 414(s)(1), except that the Administrative Committee may elect not to include in such compensation any amount

which is contributed by the Employer pursuant to a salary reduction agreement and which is not includible in gross income of the Employee under Code section 125, 132(f)(4), 402(e)(3), 402(h), or 403(b).

- bx. **“Total Excess Aggregate Contributions”** means the total amount of Excess Aggregate Contributions to be corrected to satisfy the ACP Test for the Plan Year as determined under Plan section 6.5(b).
- by. **“Total Excess Contributions”** means the total amount of Excess Contributions to be corrected to satisfy the ADP Test for the Plan Year as determined under Plan section 6.3(b).
- bz. **“Treasury Regulations”** means the regulations promulgated by the United States Department of the Treasury under the Code.
- ca. **“Trust Agreement”** means any agreement in the nature of a trust established to form a part of the Plan to receive, hold, invest, and dispose of the Trust Fund.
- cb. **“Trust Fund”** means the assets of every kind and description held under any Trust Agreement forming a part of the Plan.
- cc. **“Trustee”** means any person selected by the Company to act as Trustee under any Trust Agreement at any time of reference. On and after March 25, 2020, the Administrative Committee shall have the authority to select the Trustee in accordance with the applicable provisions of this Plan, including Article 12.
- cd. **“Unit”** means the unit of measure into which each Investment Fund is divided for purposes of ascertaining the share of each such fund attributable to each Participant, Beneficiary and Alternate Payee.

2.2 Gender and Number

Except as otherwise indicated by the context, any masculine or feminine terminology shall also include the opposite gender, and the definition of any term in the singular or plural shall also include the opposite number.

2.3 Headings

The headings of this Plan are inserted for convenience or reference only, and they are not to be used in the construction of the Plan.

2.4 Requirement to Be in “Written Form”

Various notices provided by the Company, the Administrative Committee, or the Investment Committee and various elections made by a Participant, Spouses, Alternate Payees and Beneficiaries are required to be in written form. Notwithstanding anything to the contrary in this Plan, any notices and elections related to the Plan may be conveyed through an electronic system or any other system approved by the Administrative Committee unless otherwise provided under applicable law or regulatory guidance. Any such notices, forms, and elections provided or made through an electronic medium shall comply with the provisions of Treasury Regulations section 1.401(a)-21.

2.5 Severability

If a provision of this Plan shall be held illegal or invalid for any reason, the illegality or invalidity shall not affect the remaining parts of the Plan, and the Plan shall be construed and enforced as if the illegal or invalid provision had not been included in the Plan.

2.6 Applicable Law

To the extent not preempted by ERISA or other federal law, the Plan and all rights hereunder shall be governed, construed, and administered in accordance with the laws of the State of Texas with the exception that any Trust Agreement shall be construed and enforced in all respects under and by the laws of the state in which the Trustee thereunder is located.

Article 3. Participation, Service and Vesting

3.1 Date of Participation

Each Eligible Employee shall become an Active Participant as of the first day of the month in which the Employee becomes an Eligible Employee. Notwithstanding the foregoing, each Employee who becomes an Eligible Employee pursuant to a purchase or other agreement approved by the Board shall become an Active Participant as of the date, if any, specified in such agreement. A Covered Employee will be notified that he or she is eligible to participate in the Plan at the time he or she becomes an Eligible Employee. If the Covered Employee does not make an affirmative election not to participate in the Plan or return an alternative election pursuant to section 4.1 of the Plan, then Pre-Tax Deferrals will automatically begin to be made on such Covered Employee's behalf as described in section 4.6 of the Plan.

3.2 Duration

An Eligible Employee who becomes an Active Participant shall remain an Active Participant for as long as he remains an Eligible Employee or is entitled to receive any contributions or benefits hereunder.

3.3 Transfers

- a. **Transfers to Eligible Employee Status.** An Employee who transfers to employment as an Eligible Employee shall become an Active Participant on the first day of the month in which such transfer takes place.
- b. **Transfers from Eligible Employee Status.** A Participant who transfers to employment status where he or she no longer is an Eligible Employee shall become an Inactive Participant.
 - (1) An Inactive Participant is not eligible to make or receive Pre-Tax Deferrals, Roth Contributions, Catch-Up Contributions, After-Tax Contributions (including Adjustment Contributions) or Matching Contribution on Earnings paid after the date of transfer to an ineligible status.
 - (2) An Inactive Participant shall continue to accrue Service under this Plan. Upon Separation from Service, the Participant's vested interest shall be based on total Service with the Company and all Affiliates.
 - (3) An Inactive Participant remains eligible to receive in-service withdrawals, subject to the terms of Plan section 7.2, plan loans, subject to the terms of Article 8, and to transfer eligible amounts to his or her Rollover Account, Roth Rollover Account or After-Tax Rollover Account, subject to the terms of Plan section 10.12.

3.4 Service

Service is used to determine a Participant's vested percentage in his or her Matching Account.

- a. **General Rules.** An Employee shall be credited with Service on an elapsed time basis for the period during which the employment relationship exists between the Employee and

the Company or any Affiliate, the length of which shall be determined, in completed years and months, during the following periods of time:

- (1) Credit shall be given to an Employee for the period of time beginning on the first day of the month in which the individual first becomes an Employee and ending on the last day of the month in which occurs the Employee's Separation from Service.
- (2) Credit shall be given to an Employee for each period beginning upon the date the individual has a Separation from Service and ending upon the first day of the month in which the individual first becomes an Employee thereafter but only if the Employee is reemployed within 12 months of the date of such Separation from Service.
- (3) Credit shall be given to an Employee after a Separation from Service for any period beginning on the first day of the month in which the Employee first becomes an Employee after rehire and ending on the last day of the month the Employee has a Separation from Service thereafter.
- (4) Whenever the total number of years of Service of an Employee must be ascertained under this Plan, all noncontinuous periods of Service which are credited to such Employee shall be aggregated, regardless of the length or any period of Service and regardless of the length of any period between a Separation from Service and rehire. For purposes of aggregating such years of Service, the completed years and months credited to an Employee during any period of Service shall be added to the number of completed years and months credited to the Employee during any other period of noncontinuous Service. This Plan does not disregard periods of Service, even though permitted to do so under Code section 411(a)(6).
- (5) Service by any Leased Employee shall be credited under this section should the Leased Employee ever become an Eligible Employee under this Plan.

- b. **Special Rules.** For purposes of determining an Employee's Service under this Plan, the special Service counting rules set forth in Appendix B shall apply to increase, but not decrease, the Service of any Employee.

3.5 Vesting

- a. **Employee Accounts.** A Participant's interest in his or her Pre-Tax Account, Roth Account, After-Tax Account, Rollover Account, Roth Rollover Account, After-Tax Rollover Account and In-Plan Roth Rollover Account shall be fully vested at all times.
- b. **Matching Account.** A Participant's interest in his or her Matching Account shall become vested in accordance with this section, if not vested earlier under the special vesting rules of subsection (c).

- (1) Unless vested earlier under the provisions of this section, a Participant shall vest in his or her Matching Account based on the Participant's completed years of Service.
- (a) Effective January 1, 2007, a Participant who is first employed by a Company or any Affiliate after 2006, shall have no nonforfeitable right to his or her Matching Account until the Participant completes three years of Service and shall be 100 percent vested in his or her Matching Account when the Participant is credited with three or more years of Service.
- (b) Effective January 1, 2007, a Participant who was first employed by the Company or any Affiliate before 2007, shall have the nonforfeitable percentage of his Matching Account determined based on the following table:

Years of Service	Percentage Vested
Less than 1	0%
1	20%
2	40%
3	100%

- (c) Effective January 1, 2015, an Active Participant, irrespective of when he or she was first employed by the Company or an Affiliate, shall be 100 percent vested in his or her Matching Account.

- (2) Furthermore, a Participant shall become fully vested in his or her Matching Account to the extent required under Code section 411(d)(3) and Plan section 13.2 upon a complete termination of the Plan, a partial termination of the Plan affecting the Participant, or upon a complete discontinuance of contributions to the Plan.

c. Special Vesting Rules.

- (1) Notwithstanding the foregoing, a Participant described in Appendix C shall vest in his or her Matching Account under the provisions of that Appendix C, rather than subsection (b).
- (2) A Participant shall at all times be fully vested in any Eligible Dividends with respect to which the Participant is offered a dividend pass-through deduction to the extent required under Plan section 11.2(d)(3). These amounts will be held in either:
- (a) The Participant's Matching Account, or
- (b) The Participant's Pre-Tax Account, Roth Account, After-Tax Account, Rollover Account, Roth Rollover Account, After-Tax Rollover Account and

In-Plan Roth Rollover Account, in which the Participant is always fully vested, based on the account from which the Eligible Dividend is derived.

(3) With respect to any frozen contributions under this Plan or any Qualified Plan that is merged into this Plan, if such contributions resume under this Plan or any Qualified Plan into which this Plan is merged, then for purposes of determining the Participant's nonforfeitable right to such contributions, a Participant shall receive credit for Service incurred both prior to and subsequent to the date such contributions were frozen.

d. **Vesting and Benefit Payments.** Being vested does not mean that a Participant is entitled to immediate distribution benefits. Benefits under the Plan shall be paid only in accordance with Article 7.

3.6 Forfeiture of Contingent Interests

Any portion of a Participant's Account that is not vested under the provisions of Plan section 3.5 shall be forfeited upon the first to occur of the following forfeitable events:

- a. The Participant elects, in accordance with Plan section 7.3, to commence or receive a distribution of the value of the Participant's vested Account on account of a Separation from Service. For this purpose, if the percentage vested in the table under Plan section 3.5(b)) is zero, the Participant will be deemed to have elected such a distribution and the nonvested portion of the Account will be immediately forfeited.
- b. The Participant incurs five consecutive breaks in service. For this purpose, a break in service is a period of 12 months in which the Participant is absent from Service, except that if the absence is due to a maternity or paternity reason described in Plan section 2.1(qqq)(3), the period between the first and second anniversaries of such absence shall be neither a period of Service nor a period of severance.

If the Participant who has forfeited his non-vested Account resumes employment as an Eligible Employee, then the cash value (determined at the time of forfeiture) of the amount forfeited shall be restored to the Participant's Account. No buyback shall be required and the reinstatement will occur regardless of the length of the Participant's absence from Service.

Article 4. Active Participant Contributions

4.1 Pre-Tax Deferrals, Roth Contributions and After-Tax Contributions

- a. Covered Employees will be automatically enrolled in the Plan as described in Plan section 4.6 below.
- b. Except as otherwise provided in this Plan, each Active Participant may elect to contribute as After-Tax Contributions or to have the Employer contribute on the Participant's behalf as Pre-Tax Deferrals and Roth Contributions an amount of the Participant's Base Pay which together is from 1 percent to the contribution percentage limit specified for the Active Participant in Appendix D for the Plan Year. The Administrative Committee may adjust the contribution percentage limit specified in Appendix D at the beginning of each Plan Year without the need of a formal Plan amendment, provided that any such limitations shall be communicated to eligible Participants in advance of the pay periods to which such limitations will apply. The percentage elected of Pre-Tax Deferrals, Roth Contributions and/or After-Tax Contributions may be in increments of a tenth of a percent.

The Participant's elected Pre-Tax Deferral, Roth Contribution and After-Tax Contribution percentages shall apply, but not in excess of an aggregate of 5 percent, to the Active Participant's Annual Bonus. The Annual Bonus shall be counted for this purpose in the Plan Year it is paid even if it is received for services performed in a prior Plan Year. Effective January 1, 2017, unless the Participant affirmatively elects otherwise, with respect to any Participant hired prior to August 5, 2016, the election in effect as of August 5, 2016 will apply to any Annual Bonus paid in the 2017 Plan Year and any subsequent plan year until the Participant affirmatively elects otherwise.

- c. Notwithstanding anything in this Plan to the contrary, no Participant shall be permitted to have elective deferrals made under this Plan, or any other Qualified Plan maintained by the Company or Affiliates during any taxable year, in excess of the dollar limitation contained in Code section 402(g)(1) in effect for such taxable year, except to the extent permitted under Code section 414(v).
- d. No benefits other than Matching Contributions shall be conditioned on a Participant's election to make After-Tax Contributions or have Pre-Tax Deferrals and Roth Contributions made on the Participant's behalf under this Plan. Any portion of a contribution that is not designated as a Pre-Tax Deferral, Roth Contribution or Catch-Up Contribution shall be designated as an After-Tax Contribution.
- e. The Participant's election made under this section shall be made in accordance with the rules set forth in this Article and such other rules of nondiscriminatory application as the Administrative Committee may prescribe for the proper administration of the Plan.

4.2 Catch-Up Contributions

Each Active Participant who will have attained age 50 before the close of the Plan Year shall be eligible to make Catch-Up Contributions in accordance with and subject to the limitations of

Code section 414(v) for pay periods ending after July 1, 2002. Each Participant must elect whether such Catch-Up Contributions will be in the form of Pre-Tax Deferrals or Roth Contributions.

- a. Catch-Up Contributions shall not be taken into account for purposes of the provisions of Plan sections 6.1 and 6.6, implementing the required limitations of Code sections 402(g) and 415, respectively.
- b. The Plan shall not be treated as failing to satisfy the provisions of the Plan sections 6.2, 6.4, or Article 15, implementing the requirements of Code section 401(k)(3), 401(k)(11), 401(k)(12), 410(b), or 416, as applicable, by reason of the making of Catch-Up Contributions.
- c. Elections to make Catch-Up Contributions shall be made separately from the Active Participant's election of Pre-Tax Deferrals or Roth Contributions under Plan section 4.1, shall not be subject to the contribution percentage limit on Pre-Tax Deferrals and Roth Contributions specified in Plan section 4.1, and shall be made in accordance with uniform procedures established by the Administrative Committee. Such election procedures will require the eligible Active Participant to elect Catch-Up Contributions as a fixed dollar amount per pay period.
- d. Under no circumstances will Catch-Up Contributions elected under this Plan section entitle the Participant to Matching Contribution, even if it is later determined that the contribution is not a Catch-Up Contribution because it is less than an applicable limit.
- e. For purposes of recordkeeping and communications with Participants, Catch-Up Contributions, Pre-Tax Deferrals and Roth Contributions may be aggregated and reported as held in the Participant's Pre-Tax Account or Roth Account, as applicable, without changing the character of any Catch-Up Contributions as such for purposes of Code section 414(v).

4.3 Election Procedures

- a. Each Active Participant shall be permitted to make the elections described in Plan section 4.1 and, if eligible, Plan section 4.2 in the manner prescribed by the Administrative Committee. If a Participant has elected to begin, stop, increase, or decrease Pre-Tax Deferrals, Roth Contributions, After-Tax Contributions or, if eligible, Catch-Up Contributions, the Active Participant may file a new election in the manner prescribed by the Administrative Committee to change Pre-Tax Deferrals, Roth Contributions, After-Tax Contributions or, if eligible, Catch-Up Contributions at any time and such election shall become effective on the first pay period following the date on which the election is properly received. The election shall remain in effect until changed by the Active Participant or until he or she ceases to be an Active Participant or goes on an unpaid leave of absence.
- b. If an Active Participant becomes an Inactive Participant or Former Participant, or goes on unpaid leave of absence, any Pre-Tax Deferrals, Roth Contributions, After-Tax Contributions and Catch-Up Contributions for the Participant shall cease. If the

individual again becomes an Active Participant or returns from an unpaid leave of absence, he or she may make a new election under this section.

- c. All elections shall apply to Earnings paid in the first available payroll period following the date the election is processed and shall be irrevocable for such period. In addition, except for occasional, bona fide administrative considerations, Pre-Tax Deferrals, Roth Contributions and Catch-Up Contributions made pursuant to such elections cannot precede the earlier of the performance of services relating to the Pre-Tax Deferrals, Roth Contributions or Catch-Up Contributions and the date when the Earnings subject to the election would be currently available to the Participant in the absence of an election to defer.

4.4 Salary Reduction

Each Active Participant who makes a Pre-Tax Deferral or Roth Contribution election described in Plan section 4.1 or, if eligible, a Catch-Up Contribution election described in Plan section 4.2 shall, by the act of making such election or elections, have his or her Earnings reduced by an equivalent amount for so long as the election remains in effect.

4.5 Deposit and Crediting of Deferrals and Contributions

Pre-Tax Deferrals, Roth Contributions, After-Tax Contributions, and Catch-Up Contributions shall be transferred to the Trust Fund as soon as reasonably practicable after the payroll payment date at which a corresponding amount would have been paid to the Participant in the absence of the election of such contributions. Pre-Tax Deferrals shall be allocated to the Participant's Pre-Tax Account; Roth Contributions shall be allocated to the Participant's Roth Account; Catch-Up Contributions shall be allocated to the Participant's Pre-Tax Account and/or Roth Account, as applicable, and After-Tax Contributions shall be allocated to the Participant's After-Tax Contribution Account as of the payroll payment date on which the corresponding amount would have been paid in absence of the elections under Plan section 4.1 and, if applicable, Plan section 4.2, but shall share in any investment gains and losses only after they are received by the Trust Fund.

4.6 Eligible Automatic Enrollment Arrangement

- a. **Effective Date.** The following automatic enrollment procedures will apply with respect to all Covered Employees. All Covered Employees hired prior to October 8, 2019, who have not made an affirmative election under Plan section 4.1 to make deferrals or contributions to the Plan equal or greater than the Default Percentage (defined below) will be automatically enrolled in accordance with the following automatic enrollment procedures on November 15, 2019. For Plan Years beginning after December 31, 2019, the procedures set forth in this Plan section 4.6 are intended to constitute an eligible automatic contribution arrangement that satisfies Code section 414(w) and provides excise tax relief with respect to excess amounts distributed within 6 months after the end of the plan year under Code section 4979(f).
- b. **Default Percentage.** A Covered Employee will have a reasonable opportunity after receipt of the automatic enrollment notice to make an alternate election. If a Covered Employee fails to make an alternate election, Pre-Tax Deferrals will automatically begin

being made on such Covered Employee's behalf, in an amount equal to 5% of his or her Base Pay (*i.e.*, the "**Default Percentage**") on the Covered Employee's date of hire.

- c. **Alternate Election.** In the event a Covered Employee does not desire to have Pre-Tax Deferrals made on his or her behalf at the Default Percentage, the Covered Employee may elect a different amount up to the contribution percentage limit specified for the Active Participant in Appendix D for the Plan Year or elect to not participate in the Plan. Any alternate election is to be made in accordance with the election procedures set forth in Section 4.3 above.
- d. **Withdrawal.** No later than 30 days after default Pre-Tax Deferrals are first withheld from a Covered Employee's Base Pay, the Covered Employee may request a distribution of his or her default Pre-Tax Deferrals. The amount to be distributed from the Plan upon the Covered Employee's request is equal to the amount of default Pre-Tax Deferrals made through the earlier of (a) the pay date for the second payroll period that begins after the Covered Employee's withdrawal request and (b) the first pay date that occurs 30 days after the Eligible Employee's request, plus attributable earnings through the date of distribution. Unless the Covered Employee affirmatively elects otherwise, any withdrawal request will be treated as an affirmative election to cease default Pre-Tax Deferrals made on the Covered Employee's behalf. Default Pre-Tax Deferrals distributed pursuant to this Section 4.6(d) are not counted towards the Code section 402(g) limit. Matching Contributions that might otherwise be allocated to a Covered Employee's Account on behalf of default Pre-Tax Deferrals will not be allocated to the extent the Covered Employee withdraws such default Pre-Tax Deferrals pursuant to this Section 4.6(d) and any Matching Contributions already made on account of such default Pre-Tax Deferrals that are later withdrawn pursuant to this Section 4.6(d) will be forfeited and subject to allocation as a forfeiture.
- e. **Notices.** For Plan Years beginning after December 31, 2019, the Company will provide Covered Employees with the notice required under Code section 414(w)(4) describing the Plan's automatic enrollment procedures prior to the beginning of each Plan Year regardless of whether the Covered Employee has an affirmative election for Pre-Tax Deferrals in place.

Article 5. Employer Contributions

5.1 Employees Eligible for Matching Contributions

Subject to the other provisions of this Plan, the Employer shall contribute Matching Contributions to this Plan only for a Participant who was an Active Participant during the pay period for which the corresponding Pre-Tax Deferrals and/or Roth Contributions (including amounts recharacterized as Adjustment Contributions) or After-Tax Contributions were made. Notwithstanding any Plan provision to the contrary, any Matching Contribution (including any investment gain attributable thereto), which relates to an Excess Deferral under Plan section 6.1, Excess Contribution under Plan section 6.3 (unless recharacterized as Adjustment Contributions) or Excess Aggregate Contribution under Plan section 6.5 shall be forfeited and shall not be treated as a Matching Contribution with respect to the Participant for the Plan Year.

5.2 Amount of Matching Contributions

Matching Contributions shall be made on behalf of an Active Participant for each payroll period for which Pre-Tax Deferrals, Roth Contributions or After-Tax Contributions were made with respect to the Participant for the Plan Year. Matching Contributions may also be made on behalf of eligible Participants, as the Employer or Administrative Committee deems necessary or appropriate for administrative purposes, at such other times, but not later than 12 months after the end of the Plan Year. The amount of Matching Contributions allocated to the Participant's Matching Contributions Account shall be equal to the matching percent shown in the table in Appendix E, based on the employment classification of the Participant on the last day of the payroll period, multiplied by the Pre-Tax Deferrals (including an Adjustment Contribution), Roth Contribution (including an Adjustment Contribution) or After-Tax Contribution made with respect to the Participant on the Participant's first 5 percent of Base Pay and Annual Bonus for the pay period. With respect to United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union, Local 12773 represented employees, the amount of Matching Contributions allocated to the Participant's Matching Contributions Account shall be equal to the matching percent shown in the table in Appendix E, based on the employment classification of the Participant on the last day of the payroll period, multiplied by the Pre-Tax Deferrals (including an Adjustment Contribution), Roth Contributions (including an Adjustment Contribution) or After-Tax Contribution made with respect to the Participant on the Participant's first 4 percent of Base Pay and Annual Bonus for the pay period. Effective February 29, 2016, the Matching Contributions allocated with respect to United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union, Local 12773 represented employees will be the same as for other Active Participants. Effective January 1, 2016, the Matching Contributions allocated with respect to United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union, Local 2154-03 represented employees will be the same as for other Active Participants. The Administrative Committee may limit the amount of Matching Contributions made on behalf of a Participant to the extent that the Administrative Committee determines necessary to comply with the limits of Article 6.

5.3 Depositing and Crediting Matching Contributions

The Company shall make such contributions to the Trust Fund as are required by this Plan, subject to the right of the Company to discontinue the Plan. The Company shall contribute an amount which, when added to forfeitures under Plan section 11.3, is sufficient to provide the Matching Contribution allocations required by Plan section 5.2.

Matching Contributions shall be transferred to the Trust Fund as soon as reasonably practicable after the payroll payment date at which the corresponding Pre-Tax Deferrals, Roth Contributions or After-Tax Contributions would have been paid to the Participant in the absence of the election of such contributions. Matching Contributions shall be allocated to the Participant's Matching Account as of the payroll payment date on which the corresponding amount would have been paid in absence of the Participant's election, but shall share in any investment gains and losses only after they are received by the Trust Fund.

Article 6. Benefit Limitations

6.1 Elective Deferral Limit

- a. **Dollar Limit.** For any calendar year, the sum of the following items shall not exceed the elective deferral dollar limit of Code section 402(g)(1), as adjusted pursuant to Code section 402(g)(4):
- (1) All Pre-Tax Deferrals and Roth Contributions (but not Catch-Up Contributions) made on behalf of an Active Participant for that calendar year; and
 - (2) Any other Pre-Tax or Roth contributions made for the calendar year to any Qualified Plan maintained by the Company or any Affiliate which are elective deferrals as defined in Code section 402(g)(3), but not including any such elective deferrals that are catch-up contributions under Code section 414(v).
- Any amount deferred in excess of the dollar limit stated in this subsection is referred to as an Excess Deferral.
- b. **Calendar Year as Participant's Taxable Year.** A Pre-Tax Deferral and Roth Contribution made on behalf of an Active Participant shall be treated as made for a calendar year, for purposes of Plan section 6.1(a)(1) if it is made on account of the Active Participant's election to reduce Earnings that would otherwise be payable within that calendar year.
- c. **Preventing Excess Deferrals.** If before the end of a calendar year, the Administrative Committee determines (or the Active Participant notifies his or her Employer that he or she has determined) that Pre-Tax Deferrals and/or Roth Contributions to be made on behalf of an Active Participant for that calendar year would exceed the limits of this section or Code section 402(g), then the Administrative Committee shall take one or both of the following steps, to the extent necessary, to avoid exceeding the limits of this section or Code section 402(g):
- (1) Permit an Active Participant to submit a revised election under Plan section 4.1; or
 - (2) Reduce Pre-Tax Deferrals and/or Roth Contributions that otherwise would be made, pursuant to the Participant's current election, for the rest of the calendar year (and adjust the corresponding reductions in Earnings) so that the limits are not exceeded.
- d. **Correcting Excess Deferrals.** If Excess Deferrals have been made on the Participant's behalf in excess of the limits of Code section 402(g), then the Excess Deferrals shall be corrected as follows:
- (1) The Participant must notify the Administrative Committee, by such other means as the Administrative Committee shall prescribe, no later than March 1, immediately following the close of a calendar year, stating that the sum of the items described in subsection 6.1(a) are in excess of the limits of Code

section 402(g). The notice provided by the Participant shall state the portion of such excess amount that has been allocated to this Plan as an Excess Deferral. The amount of the Excess Deferral allocated to this Plan shall not exceed the total amount of the Pre-Tax Deferrals and/or Roth Contributions (excluding Catch-Up Contributions) made on behalf of the Participant for that calendar year. The Administrative Committee may require the Participant to certify to the amount of the Excess Deferral and to provide substantiating evidence satisfactory to the Administrative Committee.

- (2) If the Active Participant does not provide the notice described in paragraph (1) by the following March 1, but it is determined that Pre-Tax Deferrals and/or Roth Contributions (excluding Catch-Up Contributions) made on behalf of an Active Participant for a calendar year inadvertently exceed the limits of subsection (a), then the Excess Deferral for the calendar year shall be distributed in accordance with this subsection.
- (3) The Administrative Committee shall direct the Trustee to distribute, by April 15 following the close of the calendar year, the Excess Deferral for that calendar year allocated (or deemed allocated) to the Plan by the Participant. Any Excess Deferrals shall be treated as consisting first of any Pre-Tax Deferrals made by the Participant for such Plan Year, as applicable, and second any Roth Contributions which the Participant made for the Plan Year, as applicable, except as otherwise elected by the Participant. The distributed Excess Deferral shall be withdrawn from the Investment Funds in which the Pre-Tax Account and/or Roth Account, as applicable, is then invested on a pro rata basis. The Trustee shall also distribute the net income attributable to the Excess Deferrals, as determined by the Administrative Committee in accordance with one of the methods permitted under Treasury Regulations section 1.402(g)-1(e)(5) disregarding, effective January 1, 2007, any provision of prior regulations relating to the distribution of gap period earnings. Corrective distributions under this subsection shall be coordinated with distributions of Excess Contributions under Plan section 6.3 in accordance with Treasury Regulations sections 1.401(k)-1(f)(5) and 1.402(g)-1(e)(6). Any Matching Contributions that have been made with respect to Excess Deferrals that are distributed to a Highly Compensated Employee, in accordance with this subsection, shall be forfeited, as soon as is practicable after corrective distributions are made. Such Matching Contributions shall be forfeited, whether or not the Participant would otherwise have a vested interest in those Matching Contributions, pursuant to Plan section 3.5.

6.2 Discrimination Limits on Pre-Tax Deferrals and Roth Contributions

As of the last day of each Plan Year, the Administrative Committee shall require testing of Pre-Tax Deferrals and Roth Contributions made for the Plan Year to assure that the Actual Deferral Percentage (ADP) for the Plan Year of Participants who are Highly Compensated Employees does not exceed the ADP Test limits specified in this Plan section.

- a. **Aggregation, Disaggregation and Restructuring.** The rules of this section shall be administered so as to comply with the mandatory disaggregation requirements of Treasury Regulations section 1.410(b)-7(c) and, if the Administrative Committee chooses, the permissive aggregation rules of Treasury Regulations section 1.410(b)-7(d), provided that any aggregated plans shall use the same testing method under Treasury Regulations section 1.401(k)-2(a)(2)(ii) (*i.e.*, current year or prior year testing method) as is used by the Plan for the Plan Year. Notwithstanding the foregoing, effective January 1, 2004, the mandatory disaggregation rules relating to the ESOP and non-ESOP portions of the Plan shall not apply.
- (1) To the extent required by the mandatory disaggregation rules, Represented Employees and Nonrepresented Employees shall be treated as comprising separate plans for purposes of applying the ADP Test. Notwithstanding the foregoing, the Administrative Committee may treat two or more separate collective bargaining units as a single collective bargaining unit for purposes of applying the ADP Test, provided that the combinations of units are determined on a basis that is reasonable and reasonably consistent from Plan Year to Plan Year.
 - (2) If, after application of the mandatory disaggregation rules, this Plan is permissively aggregated with one or more other plans that include qualified cash or deferred arrangements for purposes of Code section 401(a)(4) or 410(b), then the cash or deferred arrangements of this Plan and such other plans shall be treated as one arrangement for purposes of this Plan section.
 - (3) In determining whether the restrictions of this Plan section are met, the Administrative Committee may exclude from the ADP Test all Eligible Employees who are not Highly Compensated Employees and who have not met the minimum age and service requirements of Code section 410(a)(1)(A), if the Administrative Committee elects to apply Code section 410(b)(4)(B). Alternatively, the Administrative Committee may apply the ADP Test separately to all Eligible Employees who have not met the minimum age and service requirements of Code section 410(a)(1)(A).
- b. **ADP Test.** The Actual Deferral Percentage for the Plan Year of Participants who are Highly Compensated Employees shall not exceed the greater of:
- (1) The product of 1.25 and the Actual Deferral Percentage for the current Plan Year for the Eligible Employees who are not Highly Compensated Employees for the current Plan Year; or
 - (2) The lesser of:
 - (a) The product of two and the Actual Deferral Percentage for the current Plan Year for the Eligible Employees who are not Highly Compensated Employees for the current Plan Year, or

- (b) The Actual Deferral Percentage for the current Plan Year for the Eligible Employees who are not Highly Compensated Employees for the current Plan Year plus two percentage points.

By an amendment to the Plan, the Administrative Committee may elect to apply paragraphs (1) and (2) by using the Actual Deferral Percentage of Employees who are not Highly Compensated Employees for the prior Plan Year only if the current year testing method has been used for at least the last five Plan Years. If the Plan is aggregated with any other Qualified Plan, the Actual Deferral Percentage of Employees who are not Highly Compensated Employees for the prior Plan Year may be used only if the Plan is amended to so provide and each Qualified Plan that is aggregated with this Plan used the current year method for at least the last five years (or, if shorter, the period that such other Qualified Plan was in existence, including years in which the Qualified Plan was a portion of another Qualified Plan).

- c. The restrictions of this section shall be based on the Participant's actual Testing Compensation while an Active Participant and total Pre-Tax Deferrals and Roth Contributions allocated to the Participant's Account for the Plan Year. The Administrative Committee is authorized to restrict the Pre-Tax Deferrals and Roth Contributions of Highly Compensated Employees in a uniform manner if it determines, based on advance testing done during the Plan Year, that such restriction is necessary or appropriate to assure final Plan Year compliance with restrictions of this section.

6.3 Corrective Measures if ADP Test Failed

If, at the end of the Plan Year, the Administrative Committee determines that the Actual Deferral Percentage of Highly Compensated Employees exceeds the maximum permitted for the Plan Year under the ADP Test, then the Administrative Committee shall take the corrective steps described in this Plan section so that the requirements of Plan section 6.2 are met for the Plan Year. Pre-Tax Deferrals and Roth Contributions, along with any other elective deferrals made to other qualified cash or deferred arrangements that are included in the Actual Deferral Percentage of a Highly Compensated Employee, exceeding the ADP Test limits are referred to as Excess Contributions.

- a. **Correction Methods.** To the extent permitted under Treasury Regulations section 1.401(k)-2(b)(3) and this Plan section, the Administrative Committee shall first recharacterize Excess Contributions, along with allocable investment gains and losses, as Adjustment Contributions. To the extent Excess Contributions remain for the Plan Year, the Administrative Committee shall next distribute the Excess Contributions, along with allocable investment gains and losses, pursuant to Treasury Regulations section 1.401(k)-2(b)(2) and this Plan section. Regardless of whether recharacterized or distributed, all corrections of Excess Contributions shall be made in accordance with Treasury Regulations section 1.401(k)-2(b)(4) and this Plan section.
- b. **Determining Total Excess Contributions.** The amount of Excess Contributions attributable to each Highly Compensated Employees is the amount by which Pre-Tax Deferrals and Roth Contributions, along with any other elective deferrals made to other

qualified cash or deferred arrangements that are included in the Actual Deferral Percentage of a Highly Compensated Employee, must be reduced so that the Actual Deferral Percentage for that Highly Compensated Employee is reduced to the maximum permissible Actual Deferral Percentage for Highly Compensated Employees. The maximum permissible Actual Deferral Percentage for Highly Compensated Employees is determined by reducing the Actual Deferral Percentage for the Highly Compensated Employee with the highest Actual Deferral Percentage for the Plan Year to the Actual Deferral Percentage for the Highly Compensated Employee with the next highest Actual Deferral Percentage. If a lesser reduction would enable the ADP Test to be satisfied, only the lesser reduction is used to determine the maximum permissible Actual Deferral Percentage. This procedure is repeated until the ADP Test would be satisfied. The total amount of Excess Contributions to be corrected is equal to the sum of the dollar amounts computed under this subsection for each Highly Compensated Employee and is to be referred to as the Total Excess Contributions.

c. **Apportionment of Total Excess Contributions.** Total Excess Contributions for the Plan Year shall be apportioned among Highly Compensated Employees as provided in this subsection.

- (1) Pre-Tax Deferrals and/or Roth Contributions allocated to the Highly Compensated Employee with the highest dollar amount of Pre-Tax Deferrals and/or Roth Contributions taken into account under the ADP Test for the Plan Year, including any other elective deferrals made to other qualified cash or deferred arrangements that are included in the Actual Deferral Percentage of a Highly Compensated Employee, shall be reduced by the amount required to cause that Highly Compensated Employee's remaining amount of Pre-Tax Deferrals and/or Roth Contributions for the Plan Year to be equal to the dollar amount of Pre-Tax Deferrals and/or Roth Contributions for the Highly Compensated Employee with the next highest dollar amount. This amount shall be allocated as the Excess Contribution for the Highly Compensated Employee, unless a smaller reduction, when added to the total dollar amount already allocated as Excess Contributions for other Highly Compensated Employees pursuant to this procedure equals the Total Excess Contributions for the Plan Year. Excess Contributions shall be treated as consisting first of any Pre-Tax Deferrals made by the Participant for such Plan Year, as applicable, and second any Roth Contributions which the Participant made for the Plan Year, as applicable, except as otherwise elected by the Participant.
- (2) If a Highly Compensated Employee's Excess Contributions include elective deferrals made to other qualified cash or deferred arrangements that are included in the Actual Deferral Percentage of a Highly Compensated Employee, then the Excess Contribution of that to the Highly Compensated Employee shall not exceed the Pre-Tax Deferrals and/or Roth Contributions made under this Plan for the Plan Year. Any portion of the Total Excess Contributions which is apportioned to a Highly Compensated Employee pursuant to this subsection, but which cannot be corrected because of the preceding sentence, shall be apportioned

to the Highly Compensated Employee with the next lowest total dollar amount of Pre-Tax Deferrals and/or Roth Contributions and that Highly Compensated Employee's Excess Contributions shall be reduced by an amount which includes the amount not corrected for the other Highly Compensated Employee.

- (3) If the total amount corrected under this subsection is less than the Total Excess Contributions for the Plan Year, the procedure in this paragraph shall be repeated until the total amount corrected is equal to the Total Excess Contributions for the Plan Year.
 - (4) The investment gains and losses allocable to the Excess Contributions are equal to the sum of allocable investment gains and losses for the Plan Year and allocable gains and losses after the Plan Year for which the distribution is made. The allocable investment gain or loss attributable to the Excess Contributions may be determined in accordance with any of the methods permitted under Treasury Regulations section 1.401(k)-2(b)(2)(iv), disregarding any provisions relating to the distribution of gap period earnings, and may be determined up to seven days before the date of the correction.
 - (5) Excess Contributions of the Highly Compensated Employee with respect to which Matching Contributions were not made shall be corrected to the extent necessary under this Plan section before Excess Contributions of that Highly Compensated Employee with respect to which Matching Contributions were made.
 - (6) The requirements of this Plan section shall be deemed to have been satisfied if the total dollar amount corrected equals the Total Excess Contributions with allocable investment gains and losses, even if:
 - a. The ADP Test would not satisfy the requirements of Plan section 6.2, if the test were rerun including in the test only Pre-Tax Deferrals and/or Roth Contributions that were not corrected under this subsection; or
 - b. The amount corrected with respect to each Highly Compensated Employee is different from the amount computed for purposes of calculating the Total Excess Contributions amount.
- d. **Rules Applicable to Adjustment Contributions.** Excess Contributions shall not be treated as corrected even if recharacterized under this subsection (d), unless the requirements of this subsection are met.
- (1) Excess Contributions that are recharacterized as Adjustment Contributions must be reported to the Internal Revenue Service and the Highly Compensated Employee as included in gross income of the Highly Compensated Employees to the same extent they would have been included in gross income if distributed.
 - (2) Excess Contributions must be recharacterized as Adjustment Contributions no later than 2½ months after the close of the Plan Year (for Plan Years beginning after December 31, 2019, 6 months after the close of the Plan Year). For this

purpose, recharacterization will be deemed to have occurred on the date on which the last Highly Compensated Employee is notified that his or her Pre-Tax Deferrals and/or Roth Contributions are being recharacterized as Adjustment Contributions.

- (3) Excess Contributions may be recharacterized as Adjustment Contributions for a Plan Year only if the Plan allows After-Tax Contributions for that Plan Year and such Adjustment Contributions are included in the ACP Test for the Plan Year.
- (4) Investment gains and losses allocable to Excess Contributions shall be allocated to the corresponding Adjustment Contributions after recharacterization.

e. **Rules Applicable to Distributions.** Excess Contributions shall not be treated as corrected even if distributed under this subsection (e), unless the requirements of this subsection are met.

- (1) Excess Contributions and allocable investment gains and losses must be distributed to the Highly Compensated Employee to whom it has been allocated within 12 months after the close of the Plan Year for which the Excess Contribution arose.
- (2) The distributed Excess Contributions and allocable investment gains and losses shall be taken from the Investment Funds in which the Pre-Tax Account and/or Roth Account is then invested on a pro rata basis.
- (3) Any Matching Contributions that have been made with respect to Excess Contributions that are distributed to a Highly Compensated Employee shall be forfeited, as soon as is practicable after corrective distributions are made. Such Matching Contributions shall be forfeited, whether or not the Participant would otherwise have a vested interest in those Matching Contributions, pursuant to Plan section 3.5.
- (4) If the Highly Compensated Employee received a full distribution of his or her Account before Excess Contributions and allocable investment gains and losses are distributed to the Highly Compensated Employee, then the prior distribution shall be reported for taxation purposes as first a correction of Excess Contributions and allocable investment gains and losses to the extent required under this Plan section.
- (5) A distribution of Excess Contributions and allocable investment gains and losses shall in no event be treated as satisfying a required minimum distribution for purposes of Code section 401(a)(9) and Plan section 7.6.
- (6) The distribution required by this Plan section may be made notwithstanding any other Plan provision.

6.4 Discrimination Limits on Matching Contributions, After-Tax Contributions, and Adjustment Contributions

As of the last day of each Plan Year, the Administrative Committee shall require testing of Matching Contributions, After-Tax Contributions, and Adjustment Contributions made for the Plan Year for Participants, who were not Represented Employees for the period for which the contributions were made, to assure that the Average Contribution Percentage for the Plan Year of such Participants who are Highly Compensated Employees does not exceed the limits specified in the ACP Test. The rules of this section shall not apply at all to Matching Contributions, After-Tax Contributions, and Adjustment Contributions made for the Plan Year for Participants who are Represented Employees for the period for which the contributions are made.

- a. **Aggregation, Disaggregation and Restructuring.** The rules of this section shall be administered so as to comply with the mandatory disaggregation requirements of Treasury Regulations section 1.410(b)-7(c) and, if the Administrative Committee chooses, the permissive aggregation rules of Treasury Regulations section 1.410(b)-7(d), provided that any aggregated plans shall use the same testing method under Treasury Regulations section 1.401(k)-2(a)(2)(ii) (*i.e.*, current year or prior year testing method) as is used by the Plan for the Plan Year. Notwithstanding the foregoing, effective January 1, 2004, the mandatory disaggregation rules relating to the ESOP and non-ESOP portions of the Plan shall not apply.
- (1) If, after application of the mandatory disaggregation rules, in the preceding paragraph, this Plan is permissively aggregated with one or more other plans that include matching or after-tax contributions subject to contribution testing under Code section 401(m) for purposes of Code section 401(a)(4) or 410(b), then this Plan and such other plans shall be treated as one arrangement for purposes of this Plan section.
 - (2) In determining whether the restrictions of this Plan section are met, the Administrative Committee may exclude from the ACP Test all Eligible Employees who are not Highly Compensated Employees and who have not met the minimum age and service requirements of Code section 410(a)(1)(A), if the Administrative Committee elects to apply Code section 410(b)(4)(B). Alternatively, the Administrative Committee may apply the ACP Test separately to all Eligible Employees who have not met the minimum age and service requirements of Code section 410(a)(1)(A).
- b. **ACP Test.** The Average Contribution Percentage for the Plan Year of Participants who are Highly Compensated Employees shall not exceed the greater of:
- (1) The product of 1.25 and the Average Contribution Percentage for the current Plan Year for the Eligible Employees who are not Highly Compensated Employees for the current Plan Year; or
 - (2) The lesser of:

- a. The product of two and the Average Contribution Percentage for the current Plan Year for the Eligible Employees who are not Highly Compensated Employees for the current Plan Year, or
- b. The Average Contribution Percentage for the current Plan Year for the Eligible Employees who are not Highly Compensated Employees for the current Plan Year plus two percentage points.

By an amendment to the Plan, the Administrative Committee may elect to apply paragraphs (1) and (2) by using the Average Contribution Percentage of Employees who are not Highly Compensated Employees for the preceding Plan Year rather than the current Plan Year except that such election may not be changed unless permitted by the Internal Revenue Service.

- c. The restrictions of this section shall be based on the Participant's actual Testing Compensation while an Active Participant and total Matching Contributions, After-Tax Contributions and Adjustment Contributions allocated to the Participant's Account for the Plan Year. The Administrative Committee is authorized to restrict the After-Tax Contributions of Highly Compensated Employees in a uniform manner if it determines, based on advance testing done during the Plan Year, that such restriction is necessary or appropriate to assure final Plan Year compliance with restrictions of this section.

6.5 Corrective Measures if ACP Test Failed

If, at the end of the Plan Year, the Administrative Committee determines that the Average Contribution Percentage of Highly Compensated Employees exceeds the maximum permitted for the Plan Year under the ACP Test, then the Administrative Committee shall take the corrective steps described in this Plan section so that the requirements of Plan section 6.4 are met for the Plan Year. Matching Contributions, After-Tax Contributions, and Adjustment Contributions, along with any other matching contributions and after-tax contributions (including any recharacterized elective deferrals) made to other Qualified Plans that are included the Actual Deferral Percentage of a Highly Compensated Employee, exceeding the ACP Test limits are referred to as Excess Aggregate Contributions.

- a. **Correction Method.** The Administrative Committee shall distribute or forfeit Excess Aggregate Contributions, along with allocable investment gains and losses, pursuant to Treasury Regulations section 1.401(m)-2(b)(2) and this Plan section.
- b. **Determining Total Excess Aggregate Contributions.** The amount of Excess Aggregate Contributions attributable to each Highly Compensated Employee is the amount by which Matching Contributions, After-Tax Contributions and Adjustment Contributions, along with any other matching contributions and after-tax contributions (including any recharacterized elective deferrals) made to other Qualified Plans that are included the Average Contribution Percentage of a Highly Compensated Employee, must be reduced so that the Average Contribution Percentage for that Highly Compensated Employee is reduced to the maximum permissible Average Contribution Percentage for Highly Compensated Employees. The maximum permissible Average Contribution Percentage for Highly Compensated Employees is determined by reducing the Average Contribution

Percentage for the Highly Compensated Employee with the highest Average Contribution Percentage for the Plan Year to the Average Contribution Percentage for the Highly Compensated Employee with the next highest Average Contribution Percentage. If a lesser reduction would enable the ACP Test to be satisfied, only the lesser reduction is used to determine the maximum permissible Average Contribution Percentage. This procedure is repeated until the ACP Test would be satisfied. The total amount of Excess Aggregate Contributions to be corrected is equal to the sum of the dollar amounts computed under this subsection for each Highly Compensated Employee and is referred to as the Total Excess Aggregate Contributions.

- c. **Apportionment of Total Excess Aggregate Contributions.** Total Excess Aggregate Contributions for the Plan Year shall be apportioned as provided in this subsection.
- (1) Excess Aggregate Contributions allocated to the Highly Compensated Employee with the highest dollar amount of Matching Contributions, After-Tax Contributions and Adjustment Contributions taken into account under the ACP Test for the Plan Year shall be reduced by the amount required to cause that Highly Compensated Employee's remaining amount of Matching Contributions, After-Tax Contributions and Adjustment Contributions for the Plan Year to be equal to the dollar amount of Matching Contributions, After-Tax Contributions and Adjustment Contributions for the Highly Compensated Employee with the next highest dollar amount. This amount shall be allocated as the Excess Aggregate Contribution for the Highly Compensated Employee, unless a smaller reduction, when added to the total dollar amount already allocated as Excess Aggregate Contributions for other Highly Compensated Employees pursuant to this procedure equals the Total Excess Aggregate Contributions for the Plan Year.
 - (2) If a Highly Compensated Employee's Excess Aggregate Contributions include matching contributions and after-tax contributions (including any recharacterized elective deferrals) made to other Qualified Plans that are included the Average Contribution Percentage of a Highly Compensated Employee, then the Excess Aggregate Contribution of that to the Highly Compensated Employee shall not exceed the Matching Contributions, After-Tax Contributions and Adjustment Contributions made under this Plan for the Plan Year. Any portion of the Total Excess Aggregate Contributions which is apportioned to a Highly Compensated Employee pursuant to this subsection, but which cannot be corrected because of the preceding sentence, shall be apportioned to the Highly Compensated Employee with the next lowest total dollar amount of Pre-Tax Deferrals and/or Roth Contributions and that Highly Compensated Employee's Excess Aggregate Contributions shall be reduced by an amount which includes the amount not corrected for the other Highly Compensated Employee.
 - (3) If the total amount corrected under this subsection is less than the Total Excess Aggregate Contributions for the Plan Year, the procedure in this paragraph shall be repeated until the total amount corrected is equal to the Total Excess Aggregate Contributions for the Plan Year.

- (4) The investment gains and losses allocable to the Excess Aggregate Contributions are equal only to the sum of allocable investment gains and losses for the Plan Year for which the distribution is made. The allocable investment gain or loss attributable to the Excess Aggregate Contributions may be determined in accordance with any of the methods permitted under Treasury Regulations section 1.401(m)-2(b)(2)(iv), disregarding any provisions relating to the distribution of gap period earnings, and may be determined up to seven days before the date of the correction.
- d. **Distribution or Forfeiture.** Excess Aggregate Contributions shall not be treated as corrected even if distributed under this subsection, unless the requirements of this subsection are met.
- (1) Excess Aggregate Contributions and allocable investment gains and losses must be distributed to the Highly Compensated Employee to whom it has been allocated within 12 months after the close of the Plan Year for which the Excess Aggregate Contribution arose.
- (2) Excess Aggregate Contributions and allocable investment gains and losses shall be distributed or, to the extent attributable to Matching Contributions in which the Highly Compensated Employee is not fully vested as of the end of the Plan Year, forfeited in the following order:
- a. After-Tax Contributions and allocable investment gains and losses on which Matching Contributions were not made;
 - b. Adjustment Contributions and allocable investment gains and losses on which Matching Contributions were not made;
 - c. After-Tax Contributions and allocable investment gains and losses along with the corresponding Matching Contributions and allocable investment gains and losses; and
 - d. Adjustment Contributions and allocable investment gains and losses along with the corresponding Matching Contributions and allocable investment gains and losses.
- (3) The distributed Excess Aggregate Contributions and allocable investment gains and losses shall be taken from the Investment Funds in which the subaccount is then invested on a pro rata basis.
- (4) If the Highly Compensated Employee received a full distribution of his or her Account before Excess Aggregate Contributions and allocable investment gains and losses is distributed to the Highly Compensated Employee, then the prior distribution shall be reported for taxation purposes as first a correction of Excess Aggregate Contributions and allocable investment gains and losses to the extent required under this Plan section.

- (5) A distribution of Excess Aggregate Contributions and allocable investment gains and losses shall in no event be treated as satisfying a required minimum distribution for purposes of Code section 401(a)(9) and Plan section 7.6.
- (6) The distribution required by this Plan section may be made notwithstanding any other Plan provision.

6.6 Limitation on Annual Additions

- a. **General Rule.** Notwithstanding anything to the contrary contained in this Plan, the total Annual Additions under this Plan and any other defined contribution plan, as defined in Code section 414(i), maintained by the Company or any Affiliate, allocated to a Participant's Account for any Plan Year, which shall be the limitation year for purposes of Code section 415, shall not exceed the lesser of:
 - (1) \$40,000, as adjusted for increases in the cost-of-living under Code section 415(d) for Plan Years beginning after 2002; or
 - (2) 100 percent of the Participant's Section 415 Compensation for the limitation year.
- b. **"Annual Addition" Defined.** The term "Annual Addition," with respect to any Participant for a Plan Year, shall mean the aggregate of:
 - (1) The amount of Employer contributions (including Matching Contributions and Pre-Tax Deferrals and Roth Contributions other than Catch-Up Contributions) allocated to the Participant's Account under this Plan and any other Employer contributions (other than Catch-Up Contributions under Code section 414(v)) allocated under any other defined contribution plan, as defined in Code section 414(i), maintained by the Company or any Affiliate for the Plan Year;
 - (2) The amount of a Participant's After-Tax Contributions (including Adjustment Contributions, but excluding Rollover, Roth Rollover and After-Tax Rollover Contributions) allocated to the Participant's Account under this Plan and any other Employee contributions allocated under any other defined contribution plan maintained by the Company or any Affiliate for the Plan Year;
 - (3) Forfeitures allocated to the Participant's Account under this Plan or any other defined contribution plan maintained by the Company or any Affiliate for the Plan Year; and
 - (4) For the purpose of Plan section 6.6(a)(1) only, the amount of Employer contributions, if any, allocated to an account described in Code section 419A(d)(1) or an account described in Code section 415(l)(2).

For purposes of this subsection and to comply with the requirements of Code section 415(h), the term "Affiliate" includes, in addition to Affiliates defined in Plan section 2.1(i), any entity that would be an Affiliate under that definition if the phrase "more than 50 percent" were substituted for the phrase "at least 80 percent" each place it appears in Code 1563(a)(1).

- c. **Additional Rules.** In applying the limits of subsection (a), the following rules shall apply:
- (1) Excess Deferrals shall not be included as an Annual Addition if they are distributed in a corrective distribution under the provisions of that section. However, any Excess Deferrals that are not distributed in a corrective distribution under Plan section 6.1 shall be included as an Annual Addition, even if they are in excess of the Code section 402(g)(1) limit.
 - (2) Pre-Tax Deferrals and Roth Contributions in excess of the ADP Test limits of Plan section 6.2 shall be included as an Annual Addition, even if they are correctively distributed or re-characterized as Adjustment Contributions under Plan section 6.3.
 - (3) Matching Contributions and After-Tax Contributions (including any Adjustment Contributions) in excess of the ACP Test limits of Plan section 6.4 shall be included as an Annual Addition, even if they are correctively forfeited or distributed under Plan section 6.5. Matching Contributions relating to distributions of Excess Deferrals under Plan section 6.1(d) are forfeited and shall not be included as an Annual Addition.
 - (4) If a short limitation year is created because of an amendment or other action changing the limitation year (or Plan Year) to a different 12-consecutive-month period, the dollar limitation of Plan section 6.6(a)(1) to be applied for that short limitation year shall be multiplied by a fraction, the numerator of which is the number of months in the short limitation year and the denominator of which is 12.
 - (5) The Annual Additions of a Participant who is also a Supplemental Plan Participant for the Plan Year shall be determined under this paragraph if doing so results in a larger amount of Annual Additions for that Participant for the Plan Year. Annual Additions under this paragraph shall be determined by assuming that, for the Plan Year, the Participant contributed the contribution percentage limit in effect for the Participant as determined under Appendix D and received the maximum allocation of Matching Contribution under Plan section 5.2.
- d. Disposition of Excess Annual Additions
- (1) **Not a Supplemental Plan Participant.** If the Participant is not also a Supplemental Plan Participant for the Plan Year, then the Participant's Annual Additions shall be reduced under this Plan, if such reduction is required for purposes of reducing allocations on a combined basis, to the limits of subsection (a) and Code section 415(c), as follows:
 - a. First, by distributing After-Tax Contributions (including any Adjustment Contributions) made for the Plan Year to the Participant, to the extent necessary; and

- b. Next, by distributing Pre-Tax Deferrals and/or Roth Contributions made for the Plan Year to the Participant, to the extent necessary; and
- c. Then, forfeiting Matching Contributions made for the Plan Year, to the extent necessary; and
- d. Finally, reducing any remaining excess Annual Additions under the terms of such other defined contribution plans maintained by the Company or any Affiliate as specified in those plans.

(2) **Supplemental Plan Participant.** If the Participant is also a Supplemental Plan Participant for the Plan Year, then the Participant's Annual Additions shall first be reduced under the terms of the Retirement Plan for the Plan Year by reducing the allocations made under the Retirement Plan to the extent necessary to assure compliance with the limits of subsection (a) and Code section 415(c). Only after reductions under the Retirement Plan have been made shall reductions of Annual Additions be made under the terms of this Plan and such other defined contribution plans maintained by the Company or any Affiliate, if such a reduction is required for purposes of reducing allocations on a combined basis, to the limit of subsection (a) and Code section 415(c), as follows:

- a. First, by distributing After-Tax Contributions (including any Adjustment Contributions) made for the Plan Year to the Participant, to the extent necessary; and
- b. Next, by distributing Pre-Tax Deferrals and/or Roth Contributions made for the Plan Year to the Participant, to the extent necessary; and
- c. Then, forfeiting Matching Contributions made for the Plan Year, to the extent necessary; and
- d. Finally, reducing any remaining excess Annual Additions under the terms of such other defined contribution plans (other than the Retirement Plan) maintained by the Company or any Affiliate as specified in those plans.

e. **Adjustment of Allocations.** If an allocation to the Account of a Participant would exceed the limit of subsection (a) due to a reasonable mistake in estimating a Participant's Section 415 Compensation or due to forfeitures or a reasonable error in the estimation of salary deferrals, then any amount which cannot be allocated shall be held in a suspense account and shall be allocated to the Account of such Participant in the next following Plan Year. The suspense account shall not share in investment gains or losses of the Trust Fund. Effective for Plan Years beginning after July 1, 2007, this subsection shall no longer apply because this correction methodology is no longer permitted under the final Treasury Regulations under Code section 415.

6.7 Limitation on Pay Taken Into Account

- a. In determining the amount of Pre-Tax Deferrals and Roth Contributions that may be made on behalf of a Participant for a Plan Year, the total amount of Earnings to which the percentage reduction, elected by the Participant, is applied shall not be limited. Notwithstanding the foregoing, however, the total annual amount of Pre-Tax Deferrals and Roth Contributions made for a Plan Year on behalf of the Participant shall not exceed the product of the maximum deferral percentage allowed under the Plan for the Plan Year multiplied by the compensation limit in effect for the Plan Year under Code section 401(a)(17).
- b. In determining the amount of After-Tax Contributions that may be made on behalf of a Participant for a Plan Year, the total amount of Earnings to which the percentage reduction, elected by the Participant, is applied shall not be limited. Notwithstanding the foregoing, however, the total annual amount of After-Tax Contributions made for a Plan Year on behalf of the Participant shall not exceed the product of the maximum contribution percentage allowed under the Plan for the Plan Year multiplied by the compensation limit in effect for the Plan Year under Code section 401(a)(17).
- c. In determining the amount of Matching Contributions that may be made on behalf of a Participant for a Plan Year, the total amount of Earnings to which the Matching Contribution is applied shall not be limited. Notwithstanding the foregoing, however, the total annual amount of Matching Contributions made for a Plan Year on behalf of an Active Participant shall not exceed the product of the matching percentage determined under Appendix E multiplied by the maximum amount of Earnings for which Matching Contributions are determined multiplied by the compensation limit in effect for the Plan Year under Code section 401(a)(17).

6.8 Deductibility Limitation

Notwithstanding any provision of the Plan to the contrary, the dollar amount of Employer contributions to this Plan are conditioned on their deductibility under Code section 404 and, thus, shall always be limited to the amount deductible under Code section 404 for the taxable year for which such contributions are paid to the Trust Fund.

Article 7. Benefit Distributions

7.1 Distributions Generally

Distribution of a Participant's vested Account may begin pursuant to Plan section 7.2, relating to in-service withdrawals, Plan section 7.3, relating to benefit payments on account of a Separation from Service, and Plan section 7.5, relating to death benefit distributions, as applicable under the terms of this Article, but not later than the date provided in Plan section 7.6, relating to required minimum distributions.

Notwithstanding the foregoing, a Participant's Pre-Tax Account and Roth Account may not be distributed earlier than upon one of the following events:

- a. The Participant's retirement, death, Disability, or Separation from Service;
- b. The termination of the Plan without the establishment of another defined contribution plan (other than an employee stock ownership plan within the meaning of Code section 4975(e)(7)), provided that distributions made under this paragraph may be made only in the form of a single lump sum that complies with Code section 401(k)(10)(B); or
- c. The Participant's attainment of age 59½ or, if the Plan is amended to so provide, a financial hardship of the Participant.

7.2 In-Service Withdrawals

- a. An Active Participant or Inactive Participant may withdraw, prior to his or her Separation from Service, in the following order, any amount, up to 100 percent of the sum of the Participant's:
 - (1) After-Tax Rollover Account, if any;
 - (2) After-Tax Account, if any;
 - (3) Rollover Account, if any;
 - (4) Pre-Tax Account, but only if the Participant has attained age 59½; and then
 - (5) Matching Account, but only if the Participant has completed at least three years of Service.
- b. An Active Participant or Inactive Participant also may withdraw, prior to his or her Separation from Service, any amount, up to 100 percent of the sum of the Participant's, without regard to Plan section 7.2(e) below:
 - (1) Roth Account, but only if the Participant has attained age 59½;
 - (2) Roth Rollover Account; or
 - (3) In-Plan Roth Rollover Account, but only if the Participant has attained age 59½.
- c. No withdrawal may be requested in any processing period in which a plan loan, as described in Article 8, is being processed. Furthermore, no withdrawal request may be

processed more often than once in any six-month period beginning with the date that the Participant's most recent withdrawal request was processed. Effective August 8, 2016, there will be no restriction on the timing of withdrawal requests or the coordination of withdrawal requests with the processing of loan or other requests under the Plan.

- d. Application for a withdrawal shall be made on such forms as the Administrative Committee prescribes and shall be effective as of the end of the processing period in which such application is received and approved by the Administrative Committee. The Administrative Committee shall direct the Trustee, in such cases, to pay the Participant or Inactive Participant the withdrawal amount in a single sum.
- e. Withdrawals shall be paid first out of the net cumulative pre-1987 contributions from the After-Tax Account. Withdrawals shall then be paid out of the net cumulative post-1986 contributions, together with earnings thereon, on a pro rata basis, from the After-Tax Account. Additional amounts shall be withdrawn, if needed, from earnings on pre-1987 contributions from the After-Tax Rollover Account, if any, then from the After-Tax Account, if any, then from the Rollover Account, if any, then from the Pre-Tax Account, if permissible, and then from the Matching Account, to the extent permissible. The amount withdrawn shall be taken from such Investment Funds in which the subaccount is invested on a pro rata basis.
- f. A withdrawal from a Participant's Account balances invested in Oxy Stock shall be in the form of full shares of Oxy Stock and cash representing any fractional share, except that cash shall be paid in lieu of full shares of Oxy Stock if the Participant specified in the written request for withdrawal that the withdrawal be in the form of cash. A withdrawal from Account balances invested in assets other than Oxy Stock shall be paid in cash. Notwithstanding the foregoing, a withdrawal consisting of pre-1987 contributions from the After-Tax Account only shall be in the form of cash.
 - (1) Except as provided below, if a Participant withdraws any amount from the Matching Account, the Participant (other than a Participant who has attained age 59½ at the time the withdrawal is requested and who withdraws the entire balance in his or her Account) shall not be permitted to make any Pre-Tax Deferrals, Catch-Up Contributions, Roth Contributions, After-Tax Contributions, or receive Matching Contributions for a period of six calendar months after the withdrawal is processed (except that such Participant will still be eligible to receive Matching Contributions on any Annual Bonus). Effective for withdrawals requested after August 8, 2016, if a Participant is suspended from making any Pre-Tax Deferrals, Roth Contributions, Catch-Up Contributions, and/or After-Tax Contributions in accordance with the sentence above, such contributions will be automatically reinstated upon expiration of the six-month suspension period at the Default Percentage, as applicable, or if the Participant was not subject to automatic enrollment or had opted out of automatic enrollment at the percentage in place prior to the suspension. Effective January 1, 2017, unless the Participant affirmatively elects otherwise, with respect to any Participant hired prior to August 5, 2016, upon re-instatement, the election in effect as of August 5, 2016 will apply to any Annual Bonus paid in the 2017 Plan Year and any subsequent

plan year until the Participant affirmatively elects otherwise. Effective August 8, 2016, any Participant subject to automatic enrollment pursuant to Plan section 4.6, must make a separate election to make Pre-Tax Deferrals, Roth Contributions and After-Tax Contributions from Participant's Annual Bonus.

- (2) The preceding subsection shall be inapplicable in the case of a withdrawal effected by a creditor of a Participant pursuant to any insolvency proceeding initiated under federal or state law or pursuant to any tax levy.
- (3) In addition, notwithstanding the foregoing and effective January 1, 2013, a Participant who has attained age 59½ and who withdraws less than the entire balance in his or her Account, shall not be suspended from making Pre-Tax Deferrals, Roth Contributions, Catch-Up Contributions, After-Tax Contributions, or receiving Matching Contributions, but pursuant to subsection (b) shall not be permitted to make another withdrawal for six months beginning with the date that the Participant's most recent withdrawal request was processed. Effective August 5, 2016, a Participant who has attained age 59½ and who withdraws less than the entire balance in his or her Account will no longer be subject to the one withdrawal per six-month period limitation.

7.3 Benefits Upon Separation from Service

- a. Every Participant who incurs a Separation from Service for any reason other than death may elect to receive a distribution of the vested portion of his or her Account, in a payment form specified by Plan section 7.4. The failure of a Participant to elect a distribution of benefits upon his or her Separation from Service shall be deemed to be an election by the Participant to defer the commencement of benefits.
- b. Unless the Participant chooses to defer the commencement of benefits, either affirmatively or by failing to make a distribution election, and subject to Plan section 7.6, distribution of benefits to a Participant who incurs a Separation from Service shall begin no later than the 60th day after the close of the Plan Year in which occurs the later of:
 - (1) The Participant's Separation from Service; or
 - (2) The Participant's 65th birthday.

If for any reason the amount which is required to be paid cannot be ascertained on the date payment would be due hereunder, payment or payments shall be made not later than 60 days after the earliest date on which the amount of such payment is ascertained.

7.4 Payment Rules

- a. **General Rules.** All distributions from this Plan shall be valued as provided in Article 10 and paid in cash or Oxy Stock as provided in this Plan section. The automatic form of benefit payment to a Participant who has incurred a Separation from Service and elected

a distribution of his or her vested Account. Effective January 1, 2020, if at any time prior to the full repayment of a Participant's loan under the Plan, the Participant should transfer employment to a new employer by reason of a corporate transaction, the Participant may, to the extent permitted by the Administrative Committee, elect a direct rollover of his or her loan note to an eligible plan sponsored by the Participant's new employer, provided that the new employer's plan agrees to accept such rollover and the loan is not in default.

b. **Election Procedures.** All Participant elections to commence benefits shall be made during an election period of not more than 90 days and, except as provided below, not less than 30 days ending on the day prior to the date as of which his benefits are scheduled to commence in accordance with the benefit payment election procedures prescribed by the Administrative Committee. Such procedures shall require the following:

- (1) An election form shall be provided to the Participant in non-technical language which will contain a general description of the distribution options.
- (2) A Participant may revoke an election of any benefit form described in this section and choose again to take any available benefit form at any time and any number of times within the above election period.
- (3) A Participant, after having received the written description described in this subsection, may reject the automatic form of benefit and elect a different option under subsection (c), even though the written description was provided less than 30 days prior to the Participant's benefit commencement date, so long as the conditions contained in Treasury Regulations section 1.417(e)-1T(b)(3)(ii) have been met. If the Participant makes an untimely request for additional information, the Administrative Committee, at its discretion, may grant such request, but the granting of such request shall not result in the extension of the election period.

c. **Optional Payment Forms.** A Participant who has incurred a Separation from Service for any reason other than death may elect to have his or her vested Account distributed to the Participant under one of the following distribution options, in lieu of the automatic lump sum, as selected by the Participant in the manner prescribed and approved by the Administrative Committee:

1. **Partial Cash Distribution.** A request for a specified dollar portion of the Participant's vested Account. A Participant may request one partial cash distribution in any six-month period. If the Participant receives a partial cash distribution, the Participant must wait until the next processing period before he or she may request a subsequent lump sum payment or total distribution. Effective August 8, 2016, there will be no timing limitation for partial cash distributions. A Participant may elect a partial cash distribution under one of the following options; Investment Fund balances will automatically be depleted on a pro rata basis in the following account depletion sequence:

- a. Option 1.

- i. After-Tax Rollover Account;
 - ii. After-Tax Account;
 - iii. Rollover Account; and
 - iv. Pre-Tax Account;
- b. Option 2
- i. Matching Account;
 - ii. Roth Rollover Account;
 - iii. In-Plan Roth Rollover Account; and
 - iv. Roth Account.
- c. Or under both (A) and (B) above.

Remaining balances in each account will continue to participate in Investment Fund earnings until valued for distributions as provided in Article 10.

2. **Special Distribution.** The portion of Participant's vested Account, which is an Eligible Rollover Distribution (as determined under Plan section 7.7(b)(4)) and which is invested in Investment Funds other than the Oxy Stock Fund, is distributed as a Direct Rollover (within the meaning of Plan section 7.7(b)(1)), as directed by the Participant. The Oxy Stock Fund balance from the Participant's vested Account is distributed to the Participant as shares of Oxy Stock along with a cash distribution of any remaining portion of the Participant's vested Account.
3. **Total Deferral.** Defers distribution of the Participant's vested Account, but not beyond the end of the year in which the Participant attains age 70½. Subject to Plan section 7.6, the Participant may revoke his or her deferral election at any time by submitting another distribution request.
- d. Reserved.
- e. **Payment Medium.** The provisions of this subsection are intended to comply with the stock distribution requirements of Code sections 409(h) and 409(o) applicable to the portion of this Plan constituting an employee stock ownership plan, as required by Code section 4975(e)(7). Notwithstanding any Plan provision to the contrary, the Administrative Committee shall take steps to ensure that this section is interpreted and administered so as to comply with such requirements. In the event of any conflict, the rules of the Code and Treasury Regulations shall control.
1. **General Rule.** In the case of a Participant, Beneficiary or Alternate Payee receiving a distribution in the form of single lump sum payment, the value of the vested Account attributable to investments other than Oxy Stock shall be paid in cash and the value of the vested Account attributable to Oxy Stock shall be

distributed in full shares of Oxy Stock plus cash representing the value of any fractional share, except as provided in Plan section 7.4(h)(3) for mandatory cashout distributions and Plan section 7.6(a) for required minimum distributions.

2. Alternative Elections.

- a. By written notice to the Administrative Committee, the Participant, Beneficiary or Alternate Payee may elect to receive cash in lieu of and equal to the value of the Oxy Stock that would otherwise be distributed under the general rule.
- b. By written notice to the Administrative Committee, a Participant, Beneficiary or Alternate Payee may elect to receive all or a portion of the vested Account in the form of whole shares of Oxy Stock, plus cash for any fractional share. Any such election shall be implemented in accordance with procedures established by the Administrative Committee by transferring the investment of such Account or portion thereof, as applicable, (including without limitation amounts transferred from the MidCon Corp. ESOP) as soon as practicable to the Oxy Stock Fund and distributing such amounts as soon as practicable thereafter.

3. Put Option.

- a. Oxy Stock is readily tradable on established securities market within the meaning of Treasury Regulation section 1.401(a)(35)-1(f)(5). Thus, the provisions of this paragraph (3) shall apply only in the event and to the extent that as of the date of distribution of Oxy Stock, the Oxy Stock is not readily tradable on established securities market or is subject to a trading limitation.
- b. If Oxy Stock is not readily tradable on established securities market or is subject to a trading limitation when distributed, the distributee shall have the option to sell (the "put option") such Oxy Stock, in whole or in part, to the Company. The put option shall be granted in accordance with Code section 409(h) and all applicable Treasury Regulations. Specifically, the put option shall provide that for a period of at least 60 days following the date of distribution of the Oxy Stock and, if not exercised within such period of 60 days, during the first 60 days in the following Plan Year, the distributee shall have the right to have the Company purchase such shares at their fair market value, determined in accordance with Treasury Regulations section 54.4975-11(d)(5), as of the Valuation Date coincident with or immediately preceding the date of exercise of such put option. The put option may be exercised by notifying the Employer in writing that the option is being exercised.
- c. Once the put option is exercised, the fair market value of such shares shall be paid in a lump sum as soon as practicable. Notwithstanding the

foregoing, the Company reserves the right to adopt a different payment schedule at any time, but such payment schedule shall not be longer than in annual installments over a period of five years, with interest on the deferred balance at a reasonable rate as determined by the Administrative Committee; provided that any purchase of stock having a value of \$1,000 or less shall be paid for in a lump sum.

- d. The provisions of this paragraph (3) shall continue to apply to Oxy Stock if the Oxy Stock Fund ceases to be an employee stock ownership plan within the meaning of Code section 4975(e)(7).
- e. Notwithstanding the foregoing, this paragraph (3) need not apply to that portion of an Account which the Participant has elected to invest under the diversification provisions of Plan section 9.5.

f. **Payments to Alternate Payees.** To the extent permitted by the terms of a Qualified Domestic Relations Order, amounts assigned to an Alternate Payee may be paid as soon as possible in a lump sum, notwithstanding the age, employment status, or other factors affecting the ability of the Participant to make a withdrawal or otherwise to receive a distribution of amounts allocated to the Participant's Account, provided that the total amount assigned to an Alternate Payee does not exceed \$5,000 at the time the amount is distributed or, if the amount assigned does exceed \$5,000, the Alternate Payee consents in writing to the distribution. Only if required under the Qualified Domestic Relations Order, an Alternate Payee's Account may be distributed under one of the optional payment forms specified in subsection (c), if elected by the Alternate Payee in accordance with procedures established by the Administrative Committee. Notwithstanding the foregoing, the Alternate Payee shall be paid in no event no later than the dates specified in Plan section 7.6 (relating to required minimum distributions).

g. **Special Rules for Former Laurel Plan Accounts.**

1. In the case of a Participant for whom a direct plan-to-plan transfer was made to this Plan from the Laurel Industries Inc. Incentive Savings Plan (the "Laurel Plan"), distribution may be made, at the election of the Participant, in any form described in section 6.5(b)(2) of the Laurel Plan as in effect on December 31, 1996, provided that the amount subject to such election shall not exceed the amount of the Participant's Account attributable to such transfer.
2. In the case of a Beneficiary of a Participant for whom a direct plan-to-plan transfer was made to this Plan from the Laurel Industries Inc. Incentive Savings Plan (the "Laurel Plan"), distribution may be made, at the election of the Beneficiary, in any form described in section 6.6(g)(1)(ii) of the Laurel Plan as in effect on December 31, 1996, provided that the amount subject to such election shall not exceed the amount of the Beneficiary's Account attributable to such transfer.

- h. **Mandatory Cashout Distribution.** Notwithstanding the election procedures set forth above in Plan section 7.4(b):
1. Distribution Less Than or Equal to \$1,000. With respect to a Participant who incurred a Separation from Service prior to 2021, if the vested Account of the terminated Participant is equal to or less than \$1,000, the entire amount shall be distributed in a lump sum as promptly as possible.
 2. Distribution Less Than or Equal to \$5,000. Effective January 1, 2021, if the vested Account of a terminated Participant is less than or equal to \$5,000, and the Participant fails to elect to have his or her benefits paid directly or in the form of a Direct Rollover (within the meaning of Plan section 7.7(b)(1)) to an Eligible Retirement Plan (within the meaning of Plan section 7.7(b)(3)), the entire account shall be distributed as an automatic rollover to an individual retirement account designated by the Administrative Committee. The Participant will be notified in writing regarding the identity of the individual retirement account trustee or issuer and that his distribution may be transferred without cost or penalty to another individual retirement account.
 3. Distribution to Beneficiaries, Alternate Payees or Participants Over Age 62. Notwithstanding Plan section 7.4(h)(2) above, any distribution that is less than or equal to \$5,000 and payable to a Beneficiary, Alternate Payee or Participant who is over age 62 will be distributed in a lump sum as promptly as possible and will not be distributed as an automatic rollover to an individual retirement account.
 4. Form of Distribution. All mandatory cashout distributions will be made in cash and there will be no requirement to issue any shares of Oxy Stock.

7.5 Death Benefits

- a. **Participant's Death After Benefit Commencement.** If the Participant dies after distribution of his or her vested Account has commenced, the remaining portion of such benefit, if any, will continue to be distributed at least as rapidly as under the method of distribution in effect prior to the Participant's death.
- b. **Participant's Death Before Benefit Commencement.** Upon the death of a Participant before benefit payments begin, the balance of the deceased Participant's Account shall be distributed to the Participant's Beneficiary as soon as practicable after the Participant's death. Notwithstanding the foregoing, a Beneficiary who is the Participant's Spouse may elect, before any benefit payments begin, in accordance with procedures established by the Administrative Committee, to defer receipt of payment of the deceased Participant's Account, until the year in which the Participant would have attained age 70½ in accordance with Plan section 7.6(c)(2).
1. If the Participant's Beneficiary is a trust or estate, the distribution shall be paid in a single lump sum payment.
 2. If the Beneficiary is other than the Participant's Spouse and unless the Beneficiary elects otherwise, the distribution shall be paid in a single lump sum.

3. If the Beneficiary is the Participant's Spouse, then in addition to the payment form described in paragraph (2), the Spouse may elect, in accordance with procedures established by the Administrative Committee, to have the distribution paid in the form of a partial cash distribution, as described in Plan section 7.4(c)(1).

c. **Death of Alternate Payee or Beneficiary.** If an Alternate Payee or a Beneficiary of a deceased Participant or Alternate Payee dies prior to distribution of the separate Account established on behalf of the Alternate Payee or Beneficiary, the balance of the deceased individual's Account shall be distributed to his or her Beneficiary as soon as practicable after his death. Such distribution shall be made in the form of a lump sum payment.

7.6 Required Minimum Distributions

This section applies for purposes of determining required minimum distributions for distribution Plan Years beginning on or after January 1, 2003. In other words, this section provides the latest time for distributions to be made or commenced. Other Plan provisions may specify earlier dates for distributions and such provisions shall govern to the extent they are consistent with this section. This section, however, takes precedence over any inconsistent Plan provision. All distributions required under this section shall be determined and made in accordance with Code section 401(a)(9) and the Treasury Regulations thereunder, including the minimum distribution incidental benefit requirements, which are incorporated herein by this reference. For purposes of this Plan section, the required minimum distribution amount shall be determined based on the Account balance as of the last Accounting Date in the Plan Year immediately preceding the Distribution Calendar Year, increased by contributions made and allocated as of dates in the Plan Year after the last Accounting Date, if any, and reduced by distributions made in the Plan Year after the last Accounting Date, if any. The Account balance for the Plan Year immediately preceding the Distribution Calendar Year includes any amounts rolled over or transferred to the Plan in the Plan Year.

a. **Form of Distribution.** Unless the Participant's Account is distributed in a single sum on or before the Required Beginning Date, as of the first Distribution Calendar Year, distributions will be made in accordance with subsections (b) and (c). All required minimum distributions will be made in cash, and there will be no requirement to issue any shares of Oxy Stock.

b. **Required Minimum Distributions During Participant's Lifetime.** The Participant's entire Account will be distributed, or begin to be distributed, to the Participant no later than the Participant's Required Beginning Date. During the Participant's lifetime, the minimum amount that will be distributed for each Distribution Calendar Year is the amount determined under the default rule of paragraph (1) or, if the Participant satisfies the conditions in a timely manner, under the alternative rule of (2):

1. **Default Rule.** The quotient obtained by dividing the Participant's Account balance by the distribution period in the Uniform Lifetime Table set forth in Treasury Regulations section 1.401(a)(9)-9, using the Participant's age as of the Participant's birthday in each Distribution Calendar Year.

2. **Alternative Rule.** If the Participant's sole Beneficiary for the Distribution Calendar Year is the Participant's Spouse, the quotient obtained by dividing the Participant's Account balance by the number in the Joint and Last Survivor Table set forth in Treasury Regulations section 1.401(a)(9)-9, using the Participant's and Spouse's attained ages as of the Participant's and Spouse's birthdays in the Distribution Calendar Year. For this alternative rule to apply, the Participant must request its application and provide such proof of marriage and the Spouse's age, at such time and in such manner as the Administrative Committee may reasonably require, in advance of the Distribution Calendar Year.

Required minimum distributions will be determined under this subsection beginning with the first Distribution Calendar Year and redetermined for each subsequent Distribution Calendar Year up to and including the Distribution Calendar Year that includes the Participant's date of death.

c. Required Minimum Distributions After Participant's Death.

1. Death of Participant On or After Date Distributions Begin.
 - a. **Participant Survived by One Beneficiary.** If the Participant dies on or after the date distributions begin and there is a sole Beneficiary, the minimum amount that will be distributed for each Distribution Calendar Year after the year of the Participant's death is the quotient obtained by dividing the Participant's Account balance by the remaining Life Expectancy, determined as follows:
 - a. If the Participant is not married or the sole Beneficiary is not the Participant's surviving Spouse, the remaining Life Expectancy is calculated using the age of the Participant in the year of death, reduced by one for each subsequent year.
 - b. If the Participant's surviving Spouse is the Participant's sole Beneficiary, the remaining Life Expectancy of the surviving Spouse is calculated for each Distribution Calendar Year after the year of the Participant's death using the surviving Spouse's age as of the Spouse's birthday in that year. For the Distribution Calendar Year after the year of the surviving Spouse's death, any remaining payment shall be made in a single sum to the Spouse's estate.
 - b. **Participant Survived by More Than One Beneficiary.** If the Participant dies on or after the date distributions begin and there is more than one Beneficiary as of September 30 of the year after the year of the Participant's death, the Participant's remaining Account shall be paid in a single sum as required by Plan section 7.5.
 - c. **No Beneficiary Survives the Participant.** If there is no Beneficiary as of September 30 of the year after the year of the Participant's death, the Participant's remaining Account will be paid in a single sum to the

Participant's estate no later than the Distribution Calendar Year after the Participant's death.

2. **Death of Participant Before Date Distributions Begin.** If the Participant dies before distributions begin, the Participant's Account balance will be distributed, or begin to be distributed no later than provided in this paragraph. The minimum amount that will be distributed or begin to be distributed for each Distribution Calendar Year after the year of the Participant's death is the amount determined in paragraph (1) above.
 - a. If the Participant's surviving Spouse is the Participant's sole Beneficiary, then distributions to the surviving Spouse will begin no later than:
 - a. December 31 of the calendar year immediately following the calendar year in which the Participant died; or
 - b. December 31 of the calendar year in which the Participant would have attained age 70½, if later.
 - b. If the Participant's surviving Spouse is the Participant's sole Beneficiary and the surviving Spouse dies after the Participant but before distributions to the surviving Spouse begin, this subsection, other than subparagraph (A) immediately above, will apply as if the surviving Spouse were the Participant.

If the Participant's surviving Spouse is not the Participant's sole Beneficiary, then distributions to the Beneficiary will begin by December 31 of the calendar year immediately following the calendar year in which the Participant died.

- c. If there is no Beneficiary as of September 30 of the year following the year of the Participant's death, the Participant's Account balance will be distributed to the Participant's estate no later than by December 31 of the calendar year containing the fifth anniversary of the Participant's death.
- d. **Special Definitions.** In addition to the terms defined in Plan section 2.1 or elsewhere in this Plan, whenever used in this Plan section, the following terms shall have the respective meanings set forth below, unless expressly provided otherwise. When the defined meaning is intended, the term is capitalized.
 1. **"Distribution Calendar Year"** means a calendar year for which a minimum distribution is required. For distributions beginning before the Participant's death, the first Distribution Calendar Year is the later of (A) the calendar year during which the Participant attains age 70 ½, if the Participant is a "5-percent owner," as defined in Code section 416, or has incurred a Separation from Service or (B) December 31 of the calendar year in which the Participant has a Separation from Service. For distributions beginning after the Participant's death, the first Distribution Calendar Year is the calendar year in which distributions are required to begin. The required minimum distribution for the Participant's first

Distribution Calendar Year will be made on or before the Participant's Required Beginning Date.

2. **"Life Expectancy"** means the life expectancy determined under the Single Life Table in Treasury Regulations section 1.401(a)(9)-9.
3. **"Required Beginning Date"** means the later of:
 - a. The December 31 of the calendar year in which the Participant attains age 70½, if the Participant is a "5-percent owner," as defined in Code section 416, or has incurred a Separation from Service, and
 - b. In all other cases, the December 31 of the calendar year in which the Participant has a Separation from Service.
 - c. Effective August 8, 2016, "Required Beginning Date" means the later of:
 - a. The April 1 of the calendar year following the calendar year in which the Participant attains age 70½, if the Participant is a "5-percent owner," as defined in Code section 416, or has incurred a Separation from Service, and
 - b. In all other cases, the April 1 of the calendar year following the calendar year in which the Participant has a Separation from Service.

Notwithstanding any provision of this Plan section to the contrary and consistent with Code section 401(a)(9)(H), no minimum distribution shall be required under this Plan section for the 2009 calendar year. The Required Beginning Date for any individual shall be determined without regard to the preceding sentence for purposes of applying this Plan section to required minimum distributions for any calendar year after 2009. Moreover, the fifth anniversary of the Participant's death under Plan section 7.6(c)(2)(C) shall be determined by disregarding calendar year 2009. A Direct Rollover will be offered only for distributions that would be Eligible Rollover Distributions without regard to Code section 401(a)(9)(H), as these terms are defined in Plan section 7.7(b).

7.7 Mandatory Tax Withholding and Direct Rollovers

- a. **General Rule.** Notwithstanding any Plan provision to the contrary, all withdrawals and other distributions under this Plan shall comply with the requirements of this section, Code section 401(a)(31), the Treasury Regulations thereunder, and related regulatory rules. Under this section, a Distributee entitled to a current withdrawal or distribution from the Plan may elect, at the time and in the manner prescribed by the Administrative Committee, to have any portion of an Eligible Rollover Distribution paid directly to an Eligible Retirement Plan. In prescribing the manner of making elections with respect to Eligible Rollover Distributions, the Administrative Committee may provide for a uniform, nondiscriminatory application of any restrictions permitted under applicable sections of the Code, Treasury Regulations, and related regulatory rules, including a

requirement that a Distributee may not elect to make a Direct Rollover from a single Eligible Rollover Distribution to more than one Eligible Retirement Plan.

b. **Special Definitions.** In addition to the terms defined in Plan section 2.1 or elsewhere in this Plan, whenever used in this Plan section, the following terms shall have the respective meanings set forth below, unless expressly provided otherwise. When the defined meaning is intended, the term is capitalized.

1. **“Direct Rollover”** means an Eligible Rollover Distribution that is paid directly to an Eligible Retirement Plan at the direction and for the benefit of the Distributee.
2. **“Distributee”** means a Participant, a Participant’s surviving Spouse or a Participant’s Spouse who is the Alternate Payee.

Effective for distributions made after December 31, 2009 on behalf of a deceased Participant to a Beneficiary who is neither the Participant’s surviving Spouse or the Participant’s former Spouse and Alternate Payee, the non-spouse Beneficiary shall be a Distributee and the distribution will be treated as an Eligible Rollover Distribution if the following requirements are met. The distribution must be made on behalf of the non-spouse Beneficiary in a direct transfer to an individual retirement account, described in Code section 408(a), or an individual retirement annuity, described in Code section 408(b) that is treated as an inherited individual retirement account or annuity for purposes of Code section 408(d)(3)(C). In addition, Code section 401(a)(9)(B), other than clause (iv) thereof relating to required minimum distributions to the Beneficiary, shall apply to the inherited individual retirement account or annuity.

3. **“Eligible Retirement Plan”** is an individual retirement account described in Code section 408(a), an individual retirement annuity described in Code section 408(b) (other than an endowment contract), an annuity plan described in Code section 403(a), a qualified trust described in Code section 401(a) that accepts the Distributee’s Eligible Rollover Distribution, an annuity contract described in Code section 403(b); an eligible deferred compensation plan under Code section 457(b) which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state and which agrees to separately account for amounts transferred into such plan from this Plan; and a Roth IRA described in Code section 408A(b).
4. **“Eligible Rollover Distribution”** means any distribution of all or any portion of the balance to the credit of the Distributee, except that an Eligible Rollover Distribution does not include:
 - a. Any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the Distributee and the Distributee’s designated Beneficiary, or for a specified period of ten years or more;

- b. Any distribution to the extent the distribution is required under Code section 401(a)(9) and related Treasury Regulations;
- c. Any loan that is treated as a deemed distribution pursuant to Code section 72(p);
- d. Any dividends paid on employer securities and passed through to the Participant, Alternate Payee or Beneficiary, as described in Code section 404(k);
- e. A distribution that is a permissible withdrawal from an eligible automatic contribution arrangement within the meaning of section 414(w); and
- f. The portion of any distribution shall not fail to be an Eligible Rollover Distribution merely because such portion consists of After-Tax Contributions, which are not includable in gross income, if such portion is transferred to an individual retirement account or annuity described in Code section 408(a) or (b), to a qualified plan described in Code section 401(a) or 403(a), or to an annuity contract described in Code section 403(b) that agrees to separately account for amounts so transferred, including separately accounting for the portion of such distribution which is includable in gross income and the portion of such distribution which is not so includable. The portion of any distribution from a designated Roth account under the Plan shall not fail to be an Eligible Rollover Distribution if such portion is transferred to another Roth account under an applicable retirement plan described in Code section 402A(e)(1) or a Roth IRA described in Code section 408A.

Determinations of what constitutes an Eligible Rollover Distribution shall at all times be made in accordance with the current rules under Code section 402(c), which shall be controlling for this purpose.

- g. **“Conversion”** means a Direct Rollover of an Eligible Rollover Distribution from the Plan to the Roth IRA, within the meaning of Code section 408A. The amount rolled over is included in the gross income of the Distributee to the same extent that such amount would have been included in gross income if not rolled over. A Conversion is not subject to mandatory income tax withholding under Code section 3405. A Distributee may elect a Conversion of an Eligible Rollover Distribution made on or after January 1, 2008.

7.8 In-Plan Roth Rollovers

- a. **Participant Eligibility.** A Participant may elect to roll over a distribution to an In-Plan Roth Rollover Account in accordance with the provisions of this section 7.8. A Participant may elect to rollover amounts held in the accounts described below in Plan section 7.8(b) without regard to whether the Participant satisfies the requirements for distribution in accordance with this Article VII. In-Plan Roth Rollover Contributions shall be subject to the same Plan rules as Roth Contributions. The Plan Administrator will

maintain such records as are necessary for the proper reporting of In-Plan Roth Rollover Contributions and will administer the In-Plan Roth Rollover Account in accordance with Code section 402A and the regulations promulgated thereunder.

- b. **Permitted Sources.** The following contributions are permitted for roll over to the In-Plan Roth Rollover Account:
 - 1. After-Tax Account,
 - 2. After-Tax Rollover Account,
 - 3. Matching Account,
 - 4. Pre-Tax Account,
 - 5. Rollover Account, and
 - 6. SIP Accounts noted in Appendix G.1.
- c. **Participant's Spouse.** Solely for the purposes of determining eligibility for an In-Plan Roth Rollover Contribution, the Plan will treat a Participant's surviving Spouse, former Spouse or Alternate Payee Spouse as a Participant. A non-spouse beneficiary may not make an In-Plan Roth Rollover Contribution to the Plan.
- d. **Form of Rollover.** An In-Plan Roth Rollover Contribution must be made by the Participant in the form of a direct rollover. An In-Plan Roth Rollover Contribution may not include Plan loans.
- e. **Distributions.** The distribution provisions in Plan section 7.1 will apply to In-Plan Roth Rollover Contributions.
- f. **Treatment of In-Plan Roth Rollover Contributions.** Notwithstanding any other provision of the Plan to the contrary, an In-Plan Roth Rollover Contribution is not a Rollover or Roth Rollover Contribution for purposes of the Plan. Except for amounts withheld pursuant to a voluntary withholding election, an In-Plan Roth Rollover Contribution will not be treated as a distribution for purposes of sections 72(p), 401(a)(11), or 411(d)(6)(B)(ii) of the Code. Amounts in a Participant's In-Plan Roth Rollover Account may only be withdrawn by a Participant when the Participant is eligible for a distribution from the Plan under Article VII.

7.9 Hurricane Harvey Relief

- a. **Hardship Withdrawal.** A Participant who qualifies as a Hurricane Harvey Individual (as defined in Plan section 7.9(b)(i) below) may elect to withdraw amounts as follows on or after August 23, 2017 and before January 31, 2018 if he or she can demonstrate the existence of a financial hardship, as defined below:
 - 1. **Withdrawal Sources.** A Hurricane Harvey hardship withdrawal under this section 7.9 will be made from the Participant's Pre-Tax Account and Roth Account, excluding the portion attributable to any income or pledged as security for a loan, and in all cases not in excess of the amount of the financial hardship.

2. **Financial Hardship.** A “financial hardship” is the existence of an immediate and heavy financial need which cannot reasonably be met by other resources available to the Hurricane Harvey Individual. A distribution hereunder is automatically treated as being made on account of an immediate and heavy financial need if it is for any Hurricane Harvey-related hardship (which may include expenses for food, shelter and clothing).
3. **Deferral Suspension.** A Participant’s Pre-Tax Deferrals, Roth Contributions, Catch-Up Contributions and After-Tax Contributions will not be subject to a six-month suspension when taking a distribution under this section 7.9.
4. **Documentation.** Application shall be made on such forms and under such requirements as the Administrative Committee (or its delegee) prescribes. Requirements for supporting documentation will be waived at the time of the request for a hardship withdrawal if documentation is unavailable; however, the Participant will be asked to provide supporting documentation as soon as feasible.
5. **Distribution.** Once the Administrative Committee (or its delegee) has approved the Participant’s request for a withdrawal, the amount to be withdrawn will be based on the vested amounts in the Participant’s Account eligible for withdrawal as set forth in Plan section 7.9(a)(1) above in a lump sum.

b. **Definitions.**

1. **“Hurricane Harvey Individual”** means a Participant whose principal residence; parent, grandparent, child or grandchild’s principal residence; place of employment; or parent, grandparent, child or grandchild’s place of employment was located in the Hurricane Harvey Disaster Area. The Committee will accept the Participant’s representation that she or he constitutes a Hurricane Harvey Individual, unless the Administrative Committee (or its delegee) has actual knowledge to the contrary.
2. **“Hurricane Harvey Disaster Area”** means an area with respect to which a major disaster has been declared by the President of the United States before September 21, 2017, under section 401 of The Robert T. Stafford Disaster Relief and Emergency Assistance Act, Public Law 93-288, as amended (codified at 42 U.S.C §§ 5121-5207) by reason of Hurricane Harvey.

Article 8. Participant Loans

8.1 Availability of Loans

The Administrative Committee, in accordance with the following, may make loans to Participants who are Active Participants or Inactive Participants (referred to for purposes of this section as “Participants”) from the vested portion of the Participant’s Account. Loans shall (a) be made available on a reasonably equivalent basis, (b) not be made available to Highly Compensated Employees in an amount equal to a greater percentage of their vested Account balance or the percent made available to other loan applicants, (c) bear a reasonable rate of interest, and (d) be adequately secured by the Participant’s vested Account balance.

8.2 Amount of Loan

No loan (when added to the outstanding balance of all other loans made by the Plan to the Participant) shall exceed the lesser of:

- a. Fifty percent of the Participant’s vested Account, or
- b. Fifty thousand dollars, reduced by the highest outstanding balance of his or her loans from the Plan during the one year period ending on the date the loan is made over the outstanding balance of all of his or her Plan loans on the date on which such loan was made.

For the purpose of this limitation, all loans from all plans of the Employer are aggregated.

8.3 Procedures for Loans

The Administrative Committee shall promulgate written loan procedures which shall form part of the Plan which may include, but need not be limited to, the following information:

- a. The identity of the persons or positions authorized to administer the loan program.
- b. The procedure for applying for loans.
- c. The basis on which loans will be approved or denied.
- d. The limitations, if any, on the types and amount of loans offered.
- e. The procedure under the program for determining a reasonable rate of interest.
- f. The types of collateral which may secure a Participant’s loan.
- g. The events constituting default and the steps that will be taken to preserve Plan assets in the event of such default.

In the event of any conflict between the loan procedures and the provisions of this section, the loan procedures shall control.

Article 9. Investment Elections

9.1 Investment of Contributions

All Pre-Tax Deferrals, Roth Contributions, After-Tax Contributions, Adjustment Contributions, Catch-Up Contributions, Rollover Contributions, Roth Rollover Contributions, After-Tax Rollover Contributions, In-Plan Roth Rollover Contributions and loan repayments (both principal and interest) made by and on behalf of a Participant each Plan Year and amounts merged into the Plan shall be invested as the Participant shall designate in the Investment Funds then available in increments of 1 percent of the aggregate amount of such contributions. Participants may invest up to 30% of future Pre-Tax Deferrals, Roth Contributions, Catch-Up Contributions, In-Plan Roth Rollover Contributions and After-Tax Contributions in the Oxy Stock Fund, but no new Rollover Contributions or Roth Rollover Contributions may be invested in the Oxy Stock Fund. Notwithstanding any provision to the contrary, a Participant may not transfer any investment into the Oxy Stock Fund if the amount a Participant holds under the Oxy Stock Fund exceeds 30% of the Participant's total Plan balance.

Each Participant may make the designation described above by making an election in accordance with procedures established by the Administrative Committee upon becoming a Participant and may change such election at any time by making another election in accordance with procedures established by the Administrative Committee. Any such election shall take effect as of the first available pay period after the election was received by the Administrative Committee.

The selection of any Investment Fund is the sole and exclusive responsibility of each Participant, and it is intended that the selection of an Investment Fund by each Participant be within the parameters of section 404(c) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA") and the regulations thereunder. Neither the Employer, Administrative Committee, Investment Committee nor any of the directors, officers, agents or Employees of the Employer are empowered to or shall be permitted to advise a Participant as to the manner in which his Accounts shall be invested or changed. No liability whatsoever shall be imposed upon the Employer, the Trustees, any Committee member, or any director, officer, agent or Employee of the Employer for any loss resulting to a Participant's account because of any sale or investment directed by a Participant under this section or because of the Participant's failure to take any action regarding an investment acquired pursuant to such elective investment.

In the event that a Participant fails, or continues to fail, to designate the Investment Fund in which Pre-Tax Deferrals, Roth Contributions, After-Tax Contributions, Adjustment Contributions, Catch-Up Contributions, Rollover Contributions, Roth Rollover Contributions, After-Tax Rollover Contributions, In-Plan Roth Rollover Contributions, loan repayments, or amounts merged into the Plan that are to be invested, such amounts shall be invested in the default Investment Fund, which shall be the target date fund offered as an Investment Fund under the Plan that applies to the Participant based on the year the Participant will attain age 65, or such other Investment Fund designated by the Investment Committee as the default Investment Fund.

Any amount previously defaulted into a default Investment Fund due to a Participant's failure to designate an Investment Fund shall not be re-designated or transferred, unless the Participant otherwise transfers such amount in accordance with Plan section 9.2(a). The default Investment

Fund described above is the Plan's qualified investment alternative, as this term is defined in Department of Labor Regulations section 2550.404c-5(e).

Matching Contributions made on behalf of a Participant shall be invested in the Oxy Stock Fund.

9.2 Transfers of Existing Balances

- a. **General Rules.** Subject to any investment limitation or restriction imposed by the Investment Fund and except as provided in Plan section 9.5, each Participant, including Inactive Participants and Former Participants, as well as each Alternate Payee or spousal Beneficiary with an Account under the Plan may elect to transfer, in accordance with procedures established by the Administrative Committee, amounts invested in any Investment Fund to one or more Investment Funds then available in increments of 1 percent of the amount being transferred. If the election is received by the Administrative Committee by 4 p.m. (Central Time) on an Accounting Date, the transfer will be processed on that Accounting Date. Each election made under this Plan section shall be effective as of the first Accounting Date after the date in which notice thereof is received by the Administrative Committee. If the election is received by the Administrative Committee after 4 p.m. (Central Time) or on a date other than an Accounting Date, the transfer will be processed on the next Accounting Date. The Administrative Committee may impose such Investment Fund transfer fees as it deems reasonable and appropriate to defray the administrative expenses of the Plan. Any transfer of existing balances made under this Plan section does not affect the investment of future contributions, including loan repayments and amounts merged into this Plan, which will be invested as provided under Plan section 9.1 and the last investment election of the Participant filed thereunder.
- b. **Oxy Stock Fund Transfers.** A vested Participant may not transfer any investment into the Oxy Stock Fund if the amount a Participant holds under the Oxy Stock Fund exceeds 30% of the Participant's total Plan balance.
- c. **Qualified Plan Transfers.** Nothing contained in this Plan section shall be construed as preventing a Participant, including Inactive Participants and Former Participants, from having amounts allocated to his or her Account in any Investment Fund transferred to one or more other Investment Funds for the purpose of facilitating an asset transfer to the trustee of a Qualified Plan sponsored by a purchaser or the subsidiary of a purchaser as a result of a transaction involving the sale by the Company or an Affiliate of either all or substantially all of the outstanding common stock of an Affiliate or all or substantially all of the assets of a facility, under circumstances where the Participant or Inactive Participant is employed by the Affiliate or at the facility that is the subject of the sale.

9.3 Transfer of Assets

The Administrative Committee shall direct the Trustee to transfer monies or other property between Investment Funds as soon as is practicable after each Accounting Date to the extent required to carry out the aggregate contribution and transfer transactions as of such Accounting Date after the necessary entries have been made in the Accounts and offsetting transfer elections have been reconciled, in accordance with uniform rules established by the Administrative Committee.

9.4 Reserved

9.5 Matching Account Diversification Rights After August 1, 2004

This section is effective August 2, 2004 and shall apply notwithstanding any contrary provision of this Plan.

- a. **Diversification Elections After August 1, 2004.** A Qualified Participant shall have the right to transfer to other available Investment Funds, in accordance with Plan section 9.2, up to 100 percent of the current market value of the number of Units in the Oxy Stock Fund credited to his Matching Account.
- b. **No Reinvestment.** For the period from July 1, 2006 through March 30, 2007, the number of Units in a Qualified Participant's Matching Account that have been transferred out of the Oxy Stock Fund as described in subsection (a) above may not be reinvested the Oxy Stock Fund.
- c. **Election Procedures.** Elections to transfer amounts from the Oxy Stock Fund among available Investment Funds shall be made pursuant to procedures established by the Administrative Committee. Each election made under this section shall be effective as of the first Accounting Date after the date on which the Administrative Committee properly receives the election.
- d. **Authority.** The Investment Committee shall have the authority to take any actions as may be appropriate or necessary to ensure the proper operation of the Plan and investment in the Oxy Stock Fund consistent with the provisions of this section.
- e. **Qualified Participant.** For purposes of this section, a "Qualified Participant" means:
 - (1) Effective August 2, 2004, a Participant, who has completed at least 10 years of Service under the Plan and has attained age 55;
 - (2) Effective January 1, 2005, a Participant, who has completed at least 10 years of Service under the Plan and has attained age 50;
 - (3) Effective March 1, 2005, a Participant, who has completed at least 5 years of Service under the Plan and has attained age 50;
 - (4) Effective July 1, 2006, a Participant, who has completed at least 5 years of Service under the Plan; and
 - (5) Effective January 1, 2007, a Participant, who has completed at least 3 years of Service under the Plan.
 - (6) Effective January 1, 2015, any Active Participant, regardless of the individual's years of Service under the Plan.

Until July 1, 2006, the Service requirement described in paragraphs (1) through (4) must be met on or before a Participant incurs a Separation from Service. As of July 1, 2006, a Qualified Participant includes a Former Participant who has incurred a Separation from Service but only

with respect to the portion of the vested portion of the Participant's Matching Account as of his Separation from Service.

Article 10. Participant Accounts and Records of the Plan

10.1 Accounts and Records

The Participant's Pre-Tax Account, Roth Account, Matching Account, After-Tax Account, Rollover Account, Roth Rollover Account, After-Tax Rollover Account and In-Plan Roth Rollover Account shall be assigned a subaccount for each Investment Fund in which the Account is invested. Each such subaccount shall be maintained and valued separately from all other subaccounts. The Administrative Committee shall maintain records relative to a Participant's Accounts so that there may be determined as of any Accounting Date the current market value of his Accounts in the Trust Fund.

Each Participant, Alternate Payee and Beneficiary with an Account shall be advised from time to time, at least once each Plan Year, as to the value of his or her Account and the portions thereof attributable to his or her Matching Account and the sum of his or her Pre-Tax Account, Roth Account, Matching Account, After-Tax Account, Rollover Account, Roth Rollover Account, After-Tax Rollover Account and In-Plan Roth Rollover Account and to the various Investment Funds.

10.2 Account Value

As of any given date for which determination of the value of an Account is required, such value shall equal the sum of the value of Pre-Tax Account, Roth Account, Matching Account, After-Tax Account, Rollover Account, Roth Rollover Account, After-Tax Rollover Account and In-Plan Roth Rollover Account as of the preceding Accounting Date plus any additional contributions withheld or paid and less the amount of any withdrawals from such Account after the Accounting Date and prior to the date of determination.

10.3 Investment Funds

The Trust Fund shall consist of the Investment Funds, and each Account invested in an Investment Fund shall have an undivided proportionate interest in that Investment Fund. The Investment Committee shall have the right to determine the number of Investment Funds to be maintained by the Plan, and to increase or decrease that number from time to time as it deems appropriate. The Investment Committee shall establish additional Investment Funds or eliminate existing Investment Funds. In so doing, the Investment Committee shall implement and carry out investment objectives and policies which it shall establish and maintain.

10.4 Unit Value of Investment Funds

As of each Accounting Date, the Trustee shall determine the fair market value of the assets of each Investment Fund and shall notify the Administrative Committee of the value so determined. Assets for which there is a readily ascertainable market shall be valued by the Trustee at their fair market value, determined by the last known public sale on the Accounting Date as of which the market value is determined. In the absence of a sale on the Accounting Date, the fair market value of such assets, as well as other assets for which there is no readily ascertainable fair market value, shall be determined by the Trustee in such consistent manner as the Trustee shall consider appropriate.

10.5 Calculation of Unit Value

The Trustee shall divide the aggregate value of the assets of each Investment Fund, as so determined, by the total number of outstanding Units in such Investment Fund on the Accounting Date. The result obtained shall be the new value of each Unit, or "Unit value," as of the Accounting Date. The Unit value for all Investment Funds shall be ten dollars on the first Accounting Date in 1999.

10.6 Valuation Adjustments

As of each Accounting Date, after the Units in each Investment Fund have been revalued, the Administrative Committee shall adjust the balances in the Accounts in the respective Investment Funds of the Trust Fund, upward or downward, in proportion to the Account balance in the Investment Fund as of the previous Accounting Date. As a result, the sum of such Account balances will equal the net value of each Investment Fund of the Trust Fund as of that Accounting Date. The subaccounts shall then, when appropriate, be credited with additional Units by dividing the dollar amount of contributions, fund transfers, loan repayments, and dividends paid with respect to Oxy Stock to be allocated to each subaccount on that Accounting Date by the newly calculated value of a Unit in the Investment Fund.

10.7 Debiting of Accounts upon Distribution, Withdrawal, Loan or Charge

Any Units distributed or withdrawn from an Account (including any Units debited as a result of an Investment Fund transfer fee or redemption fee imposed pursuant to Plan section 9.2) shall be charged to the respective subaccounts in each Investment Fund as of the date the benefit or charge is payable. The amount distributable or chargeable to the Account shall be equal to the number of Units distributed or charged from the Account multiplied by the Unit value determined as of the Accounting Date immediately preceding the date as of which the distribution or charge is payable.

10.8 Unit Value upon Transfer of Investment Funds

Participants, Alternate Payees and Beneficiaries electing to transfer from one Investment Fund to another under Plan section 9.2 shall, as of the Accounting Date of the transfer, have their Accounts in the Investment Fund from which the transfer is made charged and their Accounts in the Investment Fund to which the transfer is made credited, based upon the applicable Investment Fund Unit values in effect as of the Accounting Date.

10.9 Oxy Stock Fund Valuation

The balance of each Matching Account and, separately, any other portion of the Account invested in the Oxy Stock Fund shall be maintained in full and fractional Units.

All Oxy Stock acquired by the Oxy Stock Fund, including, but not by way of limitation, Oxy Stock contributed directly by the Employer or purchased with the contributions, Oxy Stock purchased with cash dividends paid in respect of Oxy Stock, Oxy Stock acquired from stock dividends and stock splits, and Oxy Stock purchased with the proceeds of the sale or exchange of warrants, rights or dividends in kind distributed in respect of Oxy Stock, shall be allocated to the Accounts based on the portion of the Account invested in the Oxy Stock Fund as of the Accounting Date in which the Oxy Stock is acquired.

For the purpose of valuing an Account in connection with any withdrawal or loan under the provisions of the Plan or for the purpose of any distribution in kind or partly in kind, shares of Oxy Stock shall be valued as of the Accounting Date of the withdrawal, loan, or distribution based on the closing quotation on the New York Stock Exchange on the Accounting Date in which such withdrawal, loan, or distribution is made; provided, however, that if shares of Oxy Stock are sold in connection with such a withdrawal, loan, or distribution, the shares sold shall be valued at the net proceeds received from such sale. If the closing price of such Oxy Stock shall not be so quoted or if so quoted shall not be available to the Administrative Committee, a composite index price or other price which shall be generally accepted for the establishment of fair market value shall be used for the purpose of so valuing the Account.

For the purpose of valuing an Account in connection with any transfer under the provisions of the Plan, shares of Oxy Stock shall be valued as of the effective date of the transfer based on the closing quotation on the New York Stock Exchange on the Accounting Date in which such transfer is made; provided, however, that if shares of Oxy Stock are sold in connection with such transfer, the shares sold shall be valued at the net proceeds received from such sale. If the closing price of such Oxy Stock shall not be so quoted or if so quoted shall not be available to the Administrative Committee, a composite index price or other price which shall be generally accepted for the establishment of fair market value shall be used for the purpose of so valuing the Account.

With respect to the warrants received by the Plan in August 2020, the Account of each Participant whose Account held an interest in the Oxy Stock Fund at the close of business on July 6, 2020 will be allocated a proportionate interest in all the warrants received by the Plan based on the Participant's Oxy Stock Fund units on July 6, 2020. Such proportionate interest will be allocated to each Participant in a separate warrant account established on behalf of each Participant. If the investment manager appointed by the Investment Committee with respect to the warrants sells the warrants for cash or exercises the warrants to purchase additional Oxy Stock, any proceeds from the sale or exercise will be allocated to the Participant's Account and invested in the Oxy Stock Fund.

10.10 Value of Accounts

The value of the balance of any Account as of any Accounting Date shall equal:

- a. The number of Units credited to the Account as of that date, including Units credited on that date pursuant to Plan section 10.6, multiplied by the Unit value determined as of the Accounting Date, plus
- b. Any uninvested cash in the Account.

10.11 Cost Account

The Trustee shall maintain records so that the cost or "basis" (for tax purposes) of the Oxy Stock allocated to an Account may be determined as of any Accounting Date. Whenever shares of Oxy Stock are distributed from the Account, such shares shall be assigned a cost equal to the average cost of all shares allocated at the same time in accordance with rules and procedures adopted for the purpose by the Administrative Committee.

10.12 Rollover and Roth Rollover Contributions

- a. Subject to the Administrative Committee's approval and in accordance with uniform and nondiscriminatory procedures adopted by the Administrative Committee, Active or Inactive Participants may contribute, under the conditions specified in this Plan section, to this Plan any of the amounts specified as Rollover Contributions, Roth Rollover Contributions or, on and after January 1, 2020, After-Tax Rollover Contributions. Rollover Contributions will be held in the Participant's Rollover Account. Roth Rollover Contributions will be held in the Participant's Roth Rollover Account. After-Tax Rollover Contributions will be held in the Participant's After-Tax Rollover Account.
- b. The amount must have been received by or on behalf of the Participant as an eligible rollover distribution, as defined in Code section 402(c)(4).
 - (1) In the case of direct rollovers, the distribution must be received directly from:
 - a. A Qualified Plan;
 - b. A qualified plan described in Code section 403(a);
 - c. An annuity contract described in Code section 403(b);
 - d. An eligible plan under Code section 457(b) which is maintained by a state, a political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state; or
 - e. A Roth IRA described in Code section 408A(b).
 - (2) In the case of a Rollover Contribution or Roth Rollover Contribution by the Participant, as opposed to a direct rollover, the Participant must have received the distribution no more than 60 days (unless the 60-day rollover deadline has been waived by the Internal Revenue Service pursuant to Code section 402(c)(3), or the Participant makes a written certification to the Plan that satisfies section 3.02 of Revenue Procedure 2016-47) earlier from:
 - a. A plan described in paragraph (1), except that any Roth amounts must be received as a direct rollover, or
 - b. An individual retirement account or annuity described in Code section 408(a) or 408(b) that only includes amounts contributed to such account or annuity that had been rollover contributions from a plan described in paragraph (1).
 - (3) On a uniform and nondiscriminatory basis, the Administrative Committee or the Company may permit direct rollovers of promissory notes in connection with a loan under a Qualified Plan pursuant to Treasury Regulations section 1.401(a)(31)-1, Q&A-16. The Administrative Committee may establish such reasonable procedures as it deems necessary to facilitate the direct rollover of the promissory notes and to ensure that after the rollover, each loan under the

Plan complies with Code section 72(p), ERISA section 408(b)(1), and the regulations thereunder. By way of illustration and not limitation, the Administrative Committee may reamortize directly rolled over loans to accommodate repayment of the loans in conjunction with the payroll schedules of an Employer so as to comply with the maximum permitted term of the loan, or may require a Participant to execute such modification to an existing loan that is rolled over, as the Administrative Committee deems, in its sole discretion, necessary to comply with Code section 72(p), ERISA section 408(b)(1), or the regulations thereunder.

- c. Before accepting an amount as a Rollover, Roth Rollover or After-Tax Rollover Contribution, the Administrative Committee may require such information and documents it deems necessary or appropriate to establish that the contribution will satisfy the requirements of this Plan section and that receipt of the contribution will not adversely affect the qualified status of this Plan. To the extent deemed necessary or appropriate by the Administrative Committee, such information may include copies of one or more of the following: IRS Form 1099, a distribution statement, the distribution check, certifications from the Participant, and statements from the administrator of the transferor plan that such plan had received a favorable determination letter from the Internal Revenue Service.
- d. Rollover, Roth Rollover and After-Tax Rollover Contributions, other than a promissory note evidencing a Participant loan that is rolled over, shall be invested in such Investment Funds as the Participant shall select, in accordance with such rules as are provided in Article 9, or in accordance with other procedures approved by the Administrative Committee. Rollover, Roth Rollover and After-Tax Rollover Contributions to this Plan will not be accepted unless the Participant has made an affirmative investment election with respect to his or her Rollover, Roth Rollover or After-Tax Rollover Account under Article 9. Notwithstanding the foregoing, in no event shall Rollover, Roth Rollover or After-Tax Rollover Contributions be invested in the Oxy Stock Fund.
- e. If a Rollover, Roth Rollover or After-Tax Rollover Contribution is made to this Plan and the Administrative Committee later determines that the contribution did not satisfy the requirements of this Plan section, then the Rollover, Roth Rollover or After-Tax Rollover Contribution, plus any earnings attributable to the Rollover, Roth Rollover or After-Tax Rollover Contribution, shall be distributed to the Participant, within a reasonable time after the Administrative Committee's determination. The Administrative Committee may use any reasonable method to determine the amount of earnings attributable to the Rollover, Roth Rollover or After-Tax Rollover Contribution.
- f. The balance in a Participant's Rollover, Roth Rollover or After-Tax Rollover Account shall be distributed at the same time and in the same manner as other amounts in the Participant's Account. Any questions concerning entitlement to a distribution of a Rollover, Roth Rollover or After-Tax Rollover Account shall be resolved by adding the term "and Rollover, Roth Rollover or After-Tax Rollover Account" in each place where the term "Account" appears in Article 7.

10.13 Merger of the THUMS Long Beach Company Savings and Investment Plan

Effective as of October 31, 2011, the THUMS Long Beach Company Savings and Investment Plan is merged with and into this Plan. The entire interest of each individual, who was a participant in the THUMS Long Beach Company Savings and Investment Plan on October 28, 2011, shall be transferred to this Plan and Appendix G shall control the treatment of such interest as stated therein.

Article 11. Financing

11.1 Trust Fund

The Company shall maintain a trust to finance the benefits under the Plan, by entering into one or more Trust Agreements or insurance contracts approved by the Company, or by causing insurance contracts to be held under a Trust Agreement. Any Trust Agreement is designated as and shall constitute a part of this Plan, and all rights which may accrue to any person under this Plan shall be subject to all the terms and provisions of such Trust Agreement.

After March 25, 2020, the Administrative Committee shall have the sole authority to appoint, remove, or replace the Trustee with a successor Trustee or Trustees, to enter into one or more Trust Agreements, and to modify any Trust Agreement from time to time to accomplish the purposes of the Plan. By entering into such Trust Agreements, the Administrative Committee shall vest in the Trustee, or in one or more investment managers (as defined under ERISA) appointed under the terms of the Trust Agreement from time to time by action of the Investment Committee, responsibility for the management and control of the Trust Fund. In the event the Investment Committee appoints any such investment manager, the Trustee shall not be liable for the acts or omissions of the investment manager or have any responsibility to invest or otherwise manage any portion of the Trust Fund subject to the management and control of the investment manager. The Investment Committee from time to time shall establish a funding policy which is consistent with the objectives of the Plan and shall communicate it to the Trustee and each investment manager so that they may coordinate investment policies with such funding policy.

11.2 Oxy Stock Fund

- a. **General Rules.** The Oxy Stock Fund shall consist of shares of Oxy Stock and cash or cash equivalents that are held pending investment in Oxy Stock. Investment in such shares shall be made from time to time by a direct issue of Oxy Stock from the Company or by purchase from securities dealers or by private purchase at such prices and in such amounts as the Trustee may determine in its absolute and complete discretion. However, no private purchase of such shares shall be made at a total cost greater than the total cost (including brokers' fees and other expenses of purchase) of purchasing such shares at the then prevailing price of such shares on the open market, such prevailing price to be determined by the Trustee as nearly as practicable based on the most recent public trading prices for the Oxy Stock. The Trustee may match purchases and sales to satisfy investment elections, withdrawals, loans and distributions of Participants.

The Trustee in its discretion may limit the daily volume of its purchases or sales of Oxy Stock to safeguard interest of Participants or comply with legal or exchange requirements. If the Trustee limits daily volume then the purchase prices or sale proceeds, as the case may be, during the period of volume limitations, shall be averaged, and the average per share price or sale proceeds shall be used in determining the cost or proceeds to be applied in satisfaction of any order of a Participant which requires the Trustee to purchase or sell Oxy Stock during such period.

All Oxy Stock purchased by the Trustee shall be registered in the name of the Trustee or its nominee, and legal title to such Oxy Stock shall remain in the Trustee until the Participant shall become entitled to distribution thereof pursuant to this Plan.

The Trustee in its own discretion may invest funds awaiting investment in Oxy Stock in short-term obligations, including obligations of the United States of America or any agency or instrumentality thereof, trust and participation certificates, beneficial interests in any trust, and such other short-term obligations as the Trustee deems to be appropriate for such interim investment purposes.

In the event any option, right or warrant is received by the Trustee on Oxy Stock, the independent fiduciary designated by the Investment Committee shall sell the same at public or private sale and at such price and upon such other terms as it may determine, unless the independent fiduciary shall determine that such option, right or warrant should be exercised, in which case the independent fiduciary shall exercise the same upon such terms and conditions it may prescribe.

- b. **Election Restrictions for Officers.** Investment elections of Company officers shall be limited, if necessary, so that the beneficial interest in the Oxy Stock held by the Trust Fund for their Accounts shall not exceed, in the aggregate, 20 percent of the total value of all securities and other assets held by the Trust Fund in all Investment Funds. For purposes of this section, the term “officers” shall have the same meaning as set forth in Regulations section 240.3-b-2 promulgated pursuant to section 3(b) of the Securities Exchange Act of 1934.
- c. **Voting Rights.** Before each annual or special meeting of the shareholders of the Company, and at such other times when shareholder action is required, the Company or Trustee (as determined under the applicable Trust Agreement) shall send to each Participant, Beneficiary and Alternate Payee who has an investment in Oxy Stock through the Oxy Stock Fund, the proxy or consent solicitation materials that are sent to the Company’s shareholders of record. Each such Participant, Beneficiary and Alternate Payee shall have the right to instruct the Trustee confidentially as to the method of voting the shares of Oxy Stock allocated to the Account (through investment in the Oxy Stock Fund) as of the record date for determining the shares that are entitled to vote at the meeting of shareholders or that are entitled to give or withhold consent to corporate action. The Trustee in accordance with the instructions received from the Participant, Beneficiary, or Alternate Payee shall vote such full and fractional shares of Oxy Stock. The Administrative Committee shall instruct the Trustee as to the method of voting shares of Oxy Stock for which timely voting instructions are not received from Participants, Beneficiaries or Alternate Payees. The Trustee shall not vote shares of Oxy Stock for which it does not receive voting instructions from Participants, Beneficiaries, Alternate Payees or the Administrative Committee. The Company shall ensure that the requisite voting forms, together with all information distributed to shareholders regarding the exercise of voting rights, are furnished to the Trustee and by the Trustee to such Participants, Beneficiaries and Alternate Payees within a reasonable time before such voting rights are to be exercised with respect to Oxy Stock held in the Oxy Stock Fund.

d. **Distribution or Reinvestment of Cash Dividends.** In accordance with procedures set forth in this subsection, as implemented by the Administrative Committee, each Participant who is a Participant in the ESOP portion of this Plan may make the dividend pass-through election described in this subsection with respect to dividends paid on or after June 1, 2002 on Oxy Stock held in the Oxy Stock Fund attributable to the Participant's Matching Account and with respect to dividends paid on or after July 19, 2007 on all Oxy Stock held in the Oxy Stock Fund. The dividends on which the dividend pass-through election may be made are referred to as Eligible Dividends. Cash dividends that are not Eligible Dividends and cash proceeds from any other distribution received on Oxy Stock shall be invested in Oxy Stock.

(1) **Pass-Through Election.** With respect to Eligible Dividends, the Participant may elect between:

a. Either:

a. The cash payment of Eligible Dividends directly to the Participant; except effective August 8, 2016, if the amount of Eligible Dividends is less than \$10.00, then the Eligible Dividends will be reinvested pursuant to Subsection (B) below; or

b. If permitted by the Administrative Committee, the payment of Eligible Dividends to the Participant's Matching Account, Pre-Tax Account, Roth Account, After-Tax Account, Rollover Account, Roth Rollover Account, After-Tax Rollover Account and In-Plan Roth Rollover Account (based on the subaccount from which the Eligible Dividend is derived) followed by the distribution of Eligible Dividends in cash to the Participant not later than 90 days after the close of the Plan Year in which the Eligible Dividends were paid by the Company; and

b. The payment of Eligible Dividends to the Participant's Matching Account, Pre-Tax Account, Roth Account, After-Tax Account, Rollover Account, Roth Rollover Account, After-Tax Rollover Account and In-Plan Roth Rollover Account (based on the subaccount from which the Eligible Dividend is derived) and reinvestment in Oxy Stock through the Oxy Stock Fund.

If the Participant does not make an affirmative election, he shall be deemed to have elected the reinvestment of Eligible Dividends pursuant to subparagraph (B). Any earnings on Eligible Dividends shall not be distributed pursuant to subparagraph (A)(ii), but any losses on such Eligible Dividends shall reduce the amount that can be distributed to the Participant under such provision. The Participant's election in effect on the ex-dividend date for the Eligible Dividend shall control. A Participant may not split his election between subparagraph (A) and subparagraph (B) with respect to any single Eligible Dividend payment date.

(2) **Election Requirements.** The dividend pass-through election shall meet the following minimum requirements:

- a. A Participant must be given a reasonable opportunity before Eligible Dividends are paid or distributed in which to make the election.
- b. A Participant must have a reasonable opportunity to change a dividend election at least annually.
- c. If there is a change in the Plan terms governing the manner in which Eligible Dividends are paid or distributed, a Participant must be given a reasonable opportunity to make an election under the new Plan terms prior to the date on which the first Eligible Dividend subject to the new Plan terms is paid or distributed.
- d. No election shall be applied retroactively; elections shall apply only to future dividend allocations.

(3) **Treatment of Eligible Dividends.** Eligible Dividends shall be treated as follows for purposes of the Plan:

- a. A Participant shall at all times be fully vested in any Eligible Dividends with respect to which the Participant is offered a dividend pass-through election. The Participant shall be fully vested regardless of whether the Eligible Dividends are paid in cash or reinvested in Oxy Stock allocated to the Participant's Account and regardless of whether the Participant is vested or nonvested in other amounts held in his Matching Account.
- b. Eligible Dividends, whether paid in cash to the Participant or reinvested in the Plan, do not constitute an Annual Addition. In addition, reinvested Eligible Dividends do not constitute elective deferrals, within the meaning of Code section 402(g)(3), and shall not be treated as Pre-Tax Deferrals, Roth Contributions or other elective deferrals, under the ADP Test, or After-Tax Contributions, Adjustment Contributions or Matching Contributions under the ACP Test.
- c. Eligible Dividends that are reinvested in Oxy Stock pursuant to a Participant's election under this subsection are treated as earnings in the same manner as dividends with respect to which a Participant is not provided a dividend pass-through election.
- d. Eligible Dividends paid in cash pursuant to a Participant's election under this subsection:
 - a. Are not subject to the consent requirements of Code section 411(a)(11) or the restrictions on the distributions of elective deferrals under Code section 401(k)(2)(B), notwithstanding any Plan provision to the contrary; and
 - b. Do not constitute an Eligible Rollover Distribution (as determined under Plan section 7.7(b)(4)), even if the dividends are distributed at

the same time as amounts that do constitute an Eligible Rollover Distribution.

- (4) **Alternate Payees and Beneficiaries.** Subject to such rules as the Administrative Committee may prescribe, Alternate Payees and Beneficiaries shall be treated as Participants for purposes of this subsection.

11.3 Forfeitures

The Administrative Committee may use forfeitures occurring in any processing period to pay the reasonable costs of administering the Plan to the maximum extent permitted by ERISA or to reduce Matching Contributions of all Employers without regard to whether the forfeitures are attributable to persons employed by any individual Employer for such processing period or future processing periods. If the amount of allocable forfeitures occurring in a processing period exceeds the amount of Employer contributions for such processing period, then the excess shall be deposited in a separate account. Effective December 1, 2016, or as soon as practicable thereafter but in no event later than December 31, 2016, such amounts will be deposited into a separate "Forfeiture Account," invested in the Stable Value Fund, or such other Investment Fund as determined within the discretion of the Administrative Committee, and such amounts will be considered Plan assets and allocated in lieu of Employer contributions in succeeding pay periods, used to pay the reasonable expenses of administering the Plan or allocated among Participants as additional contributions. If the Plan terminates while a balance in the Forfeiture Account exists, the balance shall be allocated to Participants per capita to the extent of the maximum amount permitted under Plan section 6.6. Forfeitures shall be used before the end of the Plan Year in which the forfeitures occurred to the extent administratively feasible.

11.4 Non-Reversion

Anything in this Plan to the contrary notwithstanding, it shall be impossible at any time for the contributions of the Employer or any part of the Trust Fund to revert to the Company or an Affiliate or to be used for or diverted to any purpose other than the exclusive benefit of Participants or their Beneficiaries, except that:

- a. If a contribution or portion thereof is made by the Employer by a mistake of fact, upon written request to the Administrative Committee, such contribution or such portion, reduced by losses but not increased by earnings, shall be returned to the Employer within one year after the date of payment; and
- b. In the event that a deduction for any contributions made by the Employer is disallowed by the Internal Revenue Service in any Plan Year, then that portion of the Employer contribution that is not deductible shall be returned to the Employer within one year from the date of receipt of notice by the Internal Revenue Service of the disallowance of the deduction.

11.5 Direct Transfer of Assets from Plans of Acquired Entities

The Trust Agreement shall permit the direct receipt of assets which are transferred directly to the Trust Fund from the trustees of any other Qualified Plan sponsored, at the time of the applicable

transaction, by entities which are the subject of purchase transactions made by the Company or an Affiliate.

11.6 Pension Expense Reimbursement Account (“PERA”)

The Administrative Committee in its discretion may decide to use revenue sharing payments (*i.e.*, float income earned on uninvested cash and all other revenue, if any, received from the investments in the Plan (other than operating expenses paid by mutual fund shareholders generally, whether via rebates or otherwise, that are reflected in the net asset values of such mutual fund shares)) for approved ERISA expenses. Such amounts as well as Participant-paid fees and Plan-imposed excessive trading fees will be deposited into a separate “ERISA Account,” invested in the Stable Value Fund, or such other fund as determined within the discretion of the Administrative Committee, and such amounts will be considered Plan assets. Amounts in the ERISA Account must be used for the direct benefit of Plan Participants, and any balances remaining in the ERISA Account at year end must be used by the end of the first quarter of the next Plan Year. Alternatively, the year-end balance must be allocated to Participant Accounts after this deadline. Approved ERISA expenses will include those reasonable, necessary and direct expenses incurred by the Plan for services provided by the Plan’s Trustee, recordkeeper or other service providers.

Article 12. Administration

12.1 The Administrative Committee

The Plan shall be administered by an Administrative Committee appointed by the Board; after March 25, 2020, the Administrative Committee shall be appointed by the Fiduciary Appointment Officer. The Administrative Committee shall be the Plan Administrator. The Administrative Committee shall be composed of as many members as the Board or, if after March 25, 2020, the Fiduciary Appointment Officer, may appoint from time to time, but not fewer than three members, and shall hold office at the discretion of the Fiduciary Appointment Officer.

Any member of the Administrative Committee may resign by delivering his or her written resignation to the Administrative Committee Secretary. Such resignation shall be effective no earlier than the date of the written notice.

Vacancies in the Administrative Committee arising by resignation, death, removal, or otherwise, shall be filled by the Fiduciary Appointment Officer. The Administrative Committee shall be a fiduciary under the Plan, in accordance with ERISA.

After March 25, 2020, the Fiduciary Appointment Officer shall have the sole authority to appoint, remove, replace, and monitor members of the Administrative Committee.

12.2 Chairperson, Secretary, and Employment of Specialists

The Fiduciary Appointment Officer shall appoint, from the members of each of the Investment Committee and Administrative Committee, a Chairperson and the members shall elect a Secretary who may, but need not, be a member of such Committee. In the event the Fiduciary Appointment Officer does not appoint a Chairperson, the members of each Committee shall select a Chairperson of their respective Committee. They may authorize one or more of their number or any agent to execute or deliver any instrument or instruments on their behalf, and may employ such counsel, auditors, and other specialists and such clerical, medical, actuarial, and other services as they may require in carrying out the provisions of the Plan.

12.3 Compensation and Expenses

The members of the Investment Committee and Administrative Committee who are Employees shall serve without compensation for services as a member of such Committee. Any member of a Committee may receive reimbursement by the Company of expenses properly and actually incurred.

All expenses of administration may be paid out of the Trust Fund, to the maximum extent permitted by ERISA, unless paid by the Company. Such expenses shall include any expenses incident to the functioning of the Administrative Committee and the Investment Committee, including but not limited to, fees of accountants, counsel, and other specialists and their agents, and other costs of administering the Plan. Until paid, the expenses shall constitute a liability of the Trust Fund. However, the Company may reimburse the Trust Fund for any administration expense incurred. The Company reserves the right to charge the Accounts for reasonable expenses incurred in the administration of their Accounts. Any such charges shall be used to pay the costs of administering this Plan in the manner described in Plan section 11.3. The Company will make full disclosure of the amount and nature of any such charge prior to its imposition.

12.4 Manner of Action

A majority of the members of the Investment Committee and Administrative Committee at the time in office shall constitute a quorum for the transaction of business. All resolutions adopted, and other actions taken by a Committee at any meeting shall be by the vote of a majority of those present at any such meeting. Upon obtaining the written consent of a majority of the members at the time in office, action of a Committee may be taken otherwise than at a meeting.

12.5 Subcommittees

Each of the Investment Committee and Administrative Committee may appoint one or more subcommittees and delegate such of its power and duties as it deems desirable to any such subcommittee, in which case every reference herein made to such Committee shall be deemed to mean or include the subcommittees as to matters within their jurisdiction. The members of any such subcommittee shall consist of such officers or other Employees of the Company and such other persons as such Committee may appoint.

12.6 Other Agents

Each of the Board, the Company, the Administrative Committee and the Investment Committee may also appoint one or more persons or agents to aid it in carrying out its duties as fiduciary or nonfiduciary, and delegate such of its powers and duties as it deems desirable to such person or agents.

12.7 Records

All resolutions, proceedings, acts, and determinations of each of the Administrative Committee and the Investment Committee shall be recorded by the Secretary thereof or under the Secretary's supervision, and all such records, together with such documents and instruments as may be necessary for the administration of the Plan, shall be preserved in the custody of the Secretary.

12.8 Rules

Subject to the limitations contained in the Plan, each of the Administrative Committee and the Investment Committee shall be empowered from time to time in its discretion to adopt by-laws and establish rules for the conduct of its affairs and the exercise of the duties imposed upon it under the Plan.

12.9 Administrative Committee's Powers and Duties

Except as otherwise provided in this Plan, the Company shall have responsibility for any settlor powers, functions or duties, including, without limitation, the right to amend or terminate the Plan as set forth in Plan section 13.1. The Administrative Committee shall have responsibility for the general administration of the Plan and for carrying out the Plan's provisions. The Administrative Committee shall have such powers and duties as may be necessary to discharge its functions hereunder, including, but not limited to, the following:

- a. To construe and interpret the Plan, to supply all omissions from, correct deficiencies in and resolve ambiguities in the language of the Plan and Trust; to decide all questions of eligibility and determine the amount, manner, and time of payment of any benefits hereunder;

- b. To make a determination as to the right of any person to an allocation, and the amount thereof;
- c. To obtain from the Employees such information as shall be necessary for the proper administration of the Plan and, when appropriate, to furnish such information promptly to the Trustee or other persons entitled thereto;
- d. To prepare and distribute, in such manner as the Company determines to be appropriate, information explaining the Plan;
- e. To establish and maintain such accounts in the name of each Participant as are necessary;
- f. To instruct the Trustee with respect to the payment of benefits hereunder;
- g. To provide for any required bonding of fiduciaries and other persons who may from time to time handle Plan assets;
- h. To prepare and file any reports required by ERISA;
- i. To engage an independent public accountant to conduct such examinations and to render such opinions as may be required by ERISA;
- j. To select, engage, monitor and terminate the performance of third-party administrators and other service providers and develop policies with respect to service provider contracts to ensure that fees paid are reasonable;
- k. To allocate contributions, loan repayments and Trust Fund gains or losses to the Accounts of Participants;
- l. To take all steps it deems reasonable to correct any references or omissions that may arise in the operation of the Plan, which include taking any and all steps permitted under the Employee Plans Compliance Resolution System, the Voluntary Fiduciary Correction Program, or any other program of correction;
- m. To designate Affiliates as Employers as described in Plan section 14.1;
- n. To serve as the Plan Administrator for the Plan;
- o. To have the authority, in coordination with the Investment Committee, to appoint, remove or replace, the recordkeeper for the Plan;
- p. To have the authority to monitor the Trustee in connection with payments from the Trust Fund, including the payment of benefits; and
- q. To have the authority to appoint, remove, or replace the Trustee.

12.10 Investment Responsibilities

The Investment Committee shall have the authority and responsibility to direct and monitor the Trustee with respect to the investment and management of the Trust Fund, to appoint an investment manager, as defined in ERISA section 3(38), for the Plan's Investment Funds, including the Oxy Stock Fund, and to establish a funding policy and method consistent with the objectives of the Plan and the requirements of ERISA. Except as otherwise provided in ERISA,

the Investment Committee may delegate such authority and responsibility to direct and monitor the Trustee or any person who acknowledges in writing that it is a fiduciary with respect to the Plan and who provides the Investment Committee with a written affirmation that it is qualified to act as an investment manager within the meaning of ERISA. If the Investment Committee delegates to an investment manager the authority and responsibility to so direct and monitor the Trustee, such investment manager, and not the Investment Committee or the Trustee, shall have sole responsibility for the investment and management of so much of the Trust Fund as has been entrusted to his management and control, and, except to the extent otherwise required by ERISA, such delegation shall relieve the Investment Committee and the members thereof of all duties and responsibilities with respect to the authority and responsibility so delegated.

12.11 Administrative Committee's Decisions Conclusive

The Administrative Committee shall have the exclusive right and discretionary authority to interpret the terms and provisions of the Plan, apply the facts to the terms of the Plan, and resolve all questions arising hereunder, including the right to resolve and remedy ambiguities, inconsistencies, or omissions in the Plan, provided, however, that the construction necessary for the Plan to conform to the Code and ERISA shall in all cases control. The Administrative Committee also shall have discretionary authority to make any factual determinations under the Plan. Benefits under this Plan will be paid only if the Administrative Committee decides in its discretion that the applicant is entitled to them. The Administrative Committee shall endeavor to act in such a way as not to discriminate in favor of any class of Employees, Participants, or other persons. Any and all disputes with respect to the Plan that may arise involving Participants, Beneficiaries or Alternate Payees shall be referred to the Administrative Committee and its decisions shall be final, conclusive, and binding. All findings of fact, interpretations, determinations, and decisions of the Administrative Committee in respect of any matter or question arising under the Plan shall be final, conclusive, and binding upon all persons, including, without limitation, Employees, Participants, Beneficiaries, Alternate Payees, and any and all other persons having, or claiming to have, any interest in or under the Plan. The factual determinations and decisions of the Administrative Committee shall be given the maximum possible deference allowed by law.

12.12 Indemnity

- a. To the extent permitted by the Company's bylaws and applicable law, the Company shall indemnify and hold harmless each of the following persons ("Indemnified Persons") under the terms and conditions of subsection (b):
 1. Each Affiliate;
 2. Each member of the Administrative Committee
 3. Each member of the Investment Committee; and
 4. Each Employee or member of the Board who has responsibility (whether by delegation from another person, an allocation of responsibilities under the terms of this Plan document, or otherwise) for a fiduciary duty, a nonfiduciary settlor function (such as deciding whether to approve a plan amendment), or a nonfiduciary administrative task relating to the Plan.

- b. The Company shall indemnify and hold harmless each Indemnified Person against any and all claims, losses, damages, and expenses, including reasonable attorney's fees and court costs, incurred by that person on account of his good faith actions or failures to act with respect to his responsibilities relating to the Plan. The Company's indemnification shall include payment of any amounts due under a settlement of any lawsuit or investigation, but only if the Company agrees to the settlement.
1. An Indemnified Person shall be indemnified under this section only if he notifies an Appropriate Person at the Company of any claim asserted against or any investigation of the Indemnified Person that relates to the Indemnified Person's responsibilities with respect to the Plan.
 - a. A person is an "Appropriate Person" to receive notice of the claim or investigation if a reasonable person would believe that the person notified would initiate action to protect the interests of the Company in response to the Indemnified Person's notice.
 - b. The notice may be provided orally or in writing. The notice must be provided to the Appropriate Person promptly after the Indemnified Person becomes aware of the claim or investigation. No indemnification shall be provided under this section to the extent that the Plan or Company is materially prejudiced by the unreasonable delay of the Indemnified Person in notifying an Appropriate Person of the claim or investigation.
 2. An Indemnified Person shall be indemnified under this section with respect to attorneys' fees, court costs or other litigation expenses or any settlement of such litigation only if the Indemnified Person agrees to permit the Company to select counsel and to conduct the defense of the lawsuit and agrees not to take any action in the lawsuit that the Company believes would be prejudicial to the interests of the Company.
 3. No Indemnified Person, including an Indemnified Person who had a Separation from Service, shall be indemnified under this section unless he makes himself reasonably available to assist the Company with respect to the matters in issue and agrees to provide whatever documents, testimony, information, materials, or other forms of assistance that the Company shall reasonably request.
 4. No Indemnified Person shall be indemnified under this section with respect to any action or failure to act that is judicially determined to constitute or be attributable to the gross negligence or willful misconduct of the Indemnified Person.
 5. Payments of any indemnity under this section shall be made only from the assets of the Company and shall not be made directly or indirectly from assets of the Plan. The provisions of this section shall not preclude such further indemnities as may be available under insurance purchased by the Company or as may be provided by the Company under any by-law, agreement or otherwise, provided

that no expense shall be indemnified under this section that is otherwise indemnified by an insurance contract purchased by the Company.

12.13 Fiduciaries

The fiduciaries named in this Article shall have only those specific powers, duties, responsibilities, and obligations as are specifically given them under this Plan or the Trust or otherwise delegated by the Board. The Employers shall have the sole responsibility for making the contributions required under Article 4 and Article 5, and the Company shall have the sole authority to appoint and remove the Trustee until March 25, 2020, and to amend or terminate, in whole or in part, this Plan or the Trust. After March 25, 2020, the Administrative Committee shall have the sole authority to appoint and remove the Trustee. The Administrative Committee shall have the sole responsibility for the administration of this Plan, which responsibility is specifically described in this Plan and the Trust Agreement or otherwise delegated by the Board. The officers and Employees of the Company shall have the responsibility of implementing the Plan and carrying out its provisions as the Administrative Committee shall direct. The Investment Committee, the Trustee, and any investment manager shall have the sole responsibility for the administration of the Trust Fund and the management of the assets held under the Trust Fund, to the extent provided in the Trust Agreement. A fiduciary may rely upon any direction, information, or action of another fiduciary as being proper under this Plan or the Trust Agreement, and is not required under this Plan or the Trust Agreement to inquire into the propriety of any such direction, information, or action. It is intended under this Plan and the Trust Agreement that each fiduciary shall be responsible for the proper exercise of his or its own powers, duties, responsibilities, and obligations under this Plan and the Trust Agreement and shall not be responsible for any act or failure to act of another fiduciary. No fiduciary guarantees the Trust Fund in any manner against investment loss or depreciation in asset value. Any party may serve in more than one fiduciary capacity with respect to the Plan or Trust Agreement.

Whether or not a particular activity performed by the Fiduciary Appointment Officer, Administrative Committee, Investment Committee, a Committee member, or delegate is considered to rise to the level of a fiduciary duty shall depend on whether the person or entity is, when performing the activity, exercising the discretion with respect to the administration of the Plan, which under ERISA, if applicable, requires a fiduciary standard of conduct. In the absence of an activity involving such an exercise of discretion with respect to the Plan's administration, the activity shall be considered ministerial, rather than fiduciary, in nature. If and when a Committee member or delegate is performing a "settlor" activity, under ERISA, including, by way of example, the adoption of an amendment to or decision to establish or terminate a plan, then such activity shall be deemed to be an exercise of "settlor" or sponsor responsibility and shall be subject to ordinary business judgment and not an exercise of fiduciary duty. The Fiduciary Appointment Officer, Administrative Committee, and Investment Committee will not be subject to fiduciary liability or standards for any settlor or non-fiduciary responsibilities and/or duties delegated to it by the Board.

12.14 Notice of Address

Each person entitled to benefits from the Plan must file with the Administrative Committee or its agent, in writing, his post office address and each change of post office address. Any

communication, statement, or notice addressed to such a person at his latest reported post office address will be binding upon him for all purposes of the Plan, and neither the Administrative Committee nor the Company or any Trustee shall be obliged to search for or ascertain his whereabouts.

12.15 Data

All persons entitled to benefits from the Plan must furnish to the Company such documents, evidence, or information, including information concerning marital status, as the Company considers necessary or desirable for the purpose of administering the Plan; and it shall be a condition of the Plan that each such person must furnish such information and sign such documents as the Company may require before any benefits become payable from the Plan. The Administrative Committee shall be entitled to distribute benefits to a non-Spouse beneficiary in reliance upon the signed statement of the Participant that he is unmarried without any further liability to a Spouse if such statement is false.

12.16 Benefit Claims Procedures

The provisions of this section shall be subject to, and shall apply to, the extent required under Department of Labor Regulations section 2560.503-1 (relating to the requirements of claims procedures). All decisions made under the procedures described in this section shall be final and there shall be no further right of appeal. No lawsuit may be initiated by any person before fully pursuing the procedures set out in this section, including the appeal permitted pursuant to subsection (d).

- a. The right of a Participant, Beneficiary, Alternate Payee, or any other person entitled to claim a benefit under the Plan shall be determined by the Administrative Committee, provided, however, that the Administrative Committee may delegate its responsibility to any person. All persons entitled to claim a benefit under the Plan shall be referred to as a "Claimant" for purpose of this section. The term "Claimant" shall also include, where appropriate to the context, any person authorized to represent the Claimant under procedures established by the Administrative Committee.
 1. The Claimant may file a claim for benefits by written notice to the Administrative Committee.
 2. Any claim for benefits under the Plan, pursuant to this section, shall be filed with the Administrative Committee no later than eighteen months after the date that a transaction occurred, or should have occurred, with respect to a Claimant's Account (*e.g.*, two years after benefits were credited, or should have been credited, to a Claimant's Account, or eighteen months after any withdrawal or distribution occurred or should have occurred). The Administrative Committee in its sole discretion shall determine whether this limitation period has been exceeded.
 3. Notwithstanding anything to the contrary in this Plan, the following shall not be a claim for purposes of this section:

- a. A request for determination of eligibility, enrollment, or participation under the Plan without an accompanying claim for benefits under the Plan. The determination of eligibility, enrollment, or participation under the Plan may be necessary to resolve a claim, in which case such determination shall be made in accordance with the claims procedures set forth in this section.
 - b. Any casual inquiry relating to the Plan, including an inquiry about benefits or the circumstances under which benefits might be paid under the Plan.
 - c. A claim that is defective or otherwise fails to follow the procedures of the Plan (*e.g.*, a claim that is addressed to a party, other than the Administrative Committee, or an oral claim).
 - d. An application or request for benefits under the Plan.
- b. If a claim for benefits is wholly or partially denied, the Administrative Committee shall, within a reasonable period of time, but no later than 90 days after receipt of the claim (or 45 days after receipt of the claim in the case of a disability claim), notify the Claimant of the denial of benefits. In the case of a claim other than a disability claim, if special circumstances justify extending the period up to an additional 90 days, the Claimant shall be given written notice of this extension within the initial 90-day period, and such notice shall set forth the special circumstances and the date on which a decision is expected. In the case of a disability claim, the Administrative Committee may give the Claimant written notice before the end of the initial 45-period that it needs an additional 30 days to review the claim, provided that such notice shall set forth the circumstances beyond the control of the Administrative Committee justifying extending the period and the date on which a decision is expected. If special circumstances beyond the control of the Administrative Committee's control justify extending the claim review period for an additional 30 days, the Claimant shall be provided written notice of this extension within the first 30-day period.
- c. A notice of denial:
- 1. Shall be written in a manner calculated to be understood by the Claimant; and
 - 2. Shall contain:
 - a. The specific reasons for denial of the claim;
 - b. Specific reference to the Plan provisions on which the denial is based;
 - c. A description of any additional material or information necessary for the Claimant to perfect the claim, along with an explanation as to why such material or information is necessary; and
 - d. An explanation of the Plan's claim review procedures and the time limits applicable to such procedures, including a statement of the Claimant's right to bring a civil action under ERISA section 502(a) following an adverse determination on review.

- d. Within 60 days of the receipt by the Claimant of the written denial of his or her claim (or within 180 days of receipt in the case of a disability claim) or, if the claim has not been granted, within a reasonable period of time (which shall not be less than the applicable time period specified in subsection (b)), the Claimant may file a written request with the Administrative Committee that it conduct a full review of the denial of the claim. In connection with the Claimant's appeal, upon request, the Claimant may review and obtain copies of all documents, records and other information relevant to the Claimant's claim for benefits, but not including any document, record or information that is subject to any attorney-client or work-product privilege or whose disclosure would violate the privacy rights or expectations of any person other than the Claimant. The Claimant may submit issues and comments in writing and may submit written comments, documents, records, and other information relating to the claim for benefits. All comments, documents, records, and other information submitted by the Claimant shall be taken into account in the appeal without regard to whether such information was submitted or considered in the initial benefit determination.
- e. The Administrative Committee shall deliver to the Claimant a written decision on the claim promptly, but no later than 60 days (or 45 days in the case of a disability claim) after the receipt of the Claimant's request for such review, unless special circumstances exist that justify extending this period up to an additional 60 days (or 45 days in the case of a disability claim). If the period is extended, the Claimant shall be given written notice of this extension during the initial 60-day period (or 45-day period in the case of a disability claim) and such notice shall set forth the special circumstances and the date a decision is expected. The decision on review of the denial of the claim:
1. Shall be written in a manner calculated to be understood by the Claimant;
 2. Shall include specific reasons for the decision;
 3. Shall contain specific references to the Plan provisions on which the decision is based;
 4. Shall contain a statement that the Claimant is entitled to receive, upon request and free of charge, reasonable access to, and other information relevant to the Claimant's claim for benefits; and
 5. Shall contain a statement of the Claimant's right to bring a civil action under ERISA section 502(a) following an adverse determination on review.
- f. No legal action may be commenced after the later of:
1. 180 days after receiving the written response of the Administrative Committee to an appeal, or
 2. 365 days after the Claimant's original application for benefits.
- g. Any legal action in connection with the Plan must be filed in Harris County, Texas.

12.17 Member's Own Participation

No member of the Administrative Committee or the Investment Committee may act, vote or otherwise influence a decision of the committee on which he or she serves specifically relating to his or her own participation under the Plan.

Article 13. Amendment and Termination

13.1 Amendment and Termination

The Company expects the Plan to be permanent and to continue indefinitely; however, this Plan is purely voluntary on the part of the Company and each Employer. The Company must necessarily and does hereby reserve the right to amend, modify, or terminate the Plan at any time by action of its Board. After March 25, 2020, the Plan Amendment Officer shall have the authority to amend or modify the Plan on behalf of the Company in its plan sponsor capacity as long as the amendment or modification (i) is necessary or appropriate to qualify or maintain the Plan's tax-qualified status or to comply with other legal requirements or (ii) does not significantly decrease benefits or significantly increase costs to the Company and its Affiliates.

13.2 Distribution on Termination

Upon termination of the Plan in whole or in part, or upon complete discontinuance of contributions to the Plan by the Company, the value of the proportionate interest in the Trust Fund of each Participant affected by such termination shall be determined by the Administrative Committee as of the date of such termination or discontinuance. The Accounts of such Participants shall be fully vested and nonforfeitable, and thereafter distribution shall be made to such Participants as directed by the Administrative Committee.

Upon the partial termination of the Plan, the Board may in its sole discretion determine the timing of a distribution of the balance of the affected Participants' Accounts.

13.3 Successors

In case of the merger, consolidation, liquidation, dissolution or reorganization of an Employer, or the sale by an Employer of all or substantially all of its assets, provision may be made by written agreement between the Company and any successor corporation acquiring or receiving a substantial part of the Employer's assets, whereby the Plan and the Trust Agreement will be continued by the successor. If the Plan is to be continued by the successor, then effective as of the date of the reorganization or transfer, the successor corporation shall be substituted for the Employer under the Plan and the Trust Agreement. The substitution of a successor corporation for an Employer will not in any way be considered a termination of the Plan.

13.4 Plan Merger or Transfer

This Plan shall not merge or consolidate with, or transfer assets and liabilities to, or accept a transfer from, any other employee benefit plan unless each Participant, Beneficiary, or Alternate Payee in this Plan will (if the Plan had then terminated) receive a benefit immediately after the merger, consolidation, or transfer which is not less than the benefit the Participant, Beneficiary, or Alternate Payee would have been entitled to receive immediately before the merger, consolidation, or transfer of assets (if this Plan had then terminated). Subject to these limitations, the Plan may transfer assets and liabilities to, or accept a transfer of assets and liabilities from, any other employee benefit plan which is qualified under Code section 401(a) where such a transfer has been authorized by agreement between the Company and the sponsor of the other employee benefit plan and is not prohibited by law.

Article 14. Participating Affiliates

14.1 Adoption of the Plan

The Board or, if authorized by the Board, the Administrative Committee may designate any Affiliate as an Employer under this Plan. The Affiliate shall become an Employer and a party to this Plan and the Trust Agreement upon acceptance of such designation effective as of the date specified by the Board or Administrative Committee.

14.2 Conditions of Participation

By accepting such designation or continuing as a party to the Plan and Trust, each Employer acknowledges that:

- a. It is bound by such terms and conditions relating to the Plan as the Company or the Administrative Committee may reasonably require;
- b. It must comply with all qualification requirements and employee benefit rules of the Code, ERISA and related regulations and hereby acknowledges the authority of the Company, the Administrative Committee, and the Investment Committee to review the Affiliate's compliance procedures and to require changes in such procedures to protect the Plan's qualification;
- c. It has authorized the Company, the Administrative Committee, and the Investment Committee to act on its behalf with respect to Employer matters pertaining to the Plan and the Trust Fund;
- d. It will cooperate fully with the Plan officials and their agents by providing such information and taking such other actions, as they deem appropriate for the efficient administration of the Plan and the Trust Fund; and
- e. Its status as an Employer under the Plan is expressly conditioned on its being and continuing to be an Affiliate of the Company.

14.2 Termination of Participation

- a. **Withdrawal by Affiliate.** Subject to the concurrence of the Board or Administrative Committee, any Affiliate may withdraw from the Plan and Trust, and end its status as an Employer hereunder, by communicating in writing to the Administrative Committee its desire to withdraw. The withdrawal shall be effective as of the date agreed to by the Board or Administrative Committee, as the case may be, and the Affiliate. Upon such withdrawal, the Plan shall not terminate.
- b. **Termination by Company.** The Company, acting through the Board or, if authorized by the Board, the Administrative Committee, reserves the right, in its sole discretion and at any time, to terminate the participation in this Plan of any Employer. Such termination shall be effective immediately, upon the notice of such termination from the Company to the Trustee and the Employer being terminated, whichever occurs first, or such later effective date agreed to by the Company. Upon such termination, this Plan shall not terminate.

14.4 Consequences of the Termination of an Employer

If an Employer ceases to participate in this Plan, for whatever reason, and the Plan is not terminated then, unless otherwise directed by the Board, the Administrative Committee shall elect, in its discretion, which of the following shall apply:

- a. The Administrative Committee may elect that the portion of the Plan attributable to the former Employer shall become a separate plan effective as of the date on which the Employer's participation in this Plan terminates. The Administrative Committee shall inform the Trustee of the portion of the Trust Fund that is attributable to the participation of the terminated Employer. As soon thereafter as is administratively feasible, the Trustee shall set apart that portion of the Trust Fund as a separate trust fund that shall be part of the separate plan of the terminated Employer. Thereafter, the administration, control, and operation of the separate plan, with respect to the terminated Employer, shall be on a separate basis, in accordance with the terms of this Plan except that:
 - (1) The terminated Employer, not the Company or the Administrative Committee, shall be the sponsor and administrator of the separate plan and shall have all duties, responsibilities, and powers that the Company, Administrative Committee and Investment Committee have under this Plan; and
 - (2) The terminated Employer, not the Company, shall have the power to amend and terminate the separate plan, in accordance with the provisions of Plan section 13.1.

- b. Alternatively, the Administrative Committee may elect to maintain the Accounts of Participants employed by the terminated Employer as follows:
 - (1) Except as provided in paragraph (5), all Participants employed by the terminated Employer on the date on which the entity ceases participation in this Plan shall become Inactive Participants or Former Participants, as applicable.
 - (2) The Pre-Tax Deferral, Roth Contribution, Catch-Up Contribution and After-Tax Contribution elections of an Active Participant under Article 4 shall only apply to Earnings for the portion of the Plan Year ending on the Employer's termination date.
 - (3) The terminated Employer shall transfer to the Trust Fund the Pre-Tax Deferrals, Roth Contributions, Catch-Up Contributions, Matching Contributions and After-Tax Contributions required under the Plan relating to Earnings through the effective date of the Employer's termination of participation in this Plan.
 - (4) For purposes of being eligible to receive a distribution of his or her Account, an Inactive Participant described in paragraph (1) shall not be treated as having a Separation from Service unless and until the Administrative Committee determines that the Participant is eligible to receive a distribution under the provisions of Code section 401(k)(2)(B)(i).

- (5) If a Participant described in paragraph (1) becomes an Employee of another Employer immediately after the effective date of the prior Employer's termination of participation in this Plan, then the Participant shall be treated under the Plan as having transferred employment from one Employer to another.
 - (6) Should the Administrative Committee elect to take alternative action under this Section 14.4(b), the name of the terminated Employer and the effective date of such action will be set forth on Appendix H.
- c. With the consent of the Employer that is no longer participating in the Plan, the Company or Administrative Committee may take such other actions with respect to the Accounts of Participants employed by that Employer as are permitted under the Code and ERISA.

Article 15. Top-Heavy Provisions

15.1 Application of Top-Heavy Provisions

The provisions of this Article shall be interpreted and administered in accordance with the requirements of Code section 416 and related Treasury Regulations. The provisions of this Article shall apply for the Plan Year if, as of the Determination Date for that Plan Year, the Top-Heavy Ratio exceeds 60 percent.

15.2 Definitions Applicable to this Article

In addition to the terms defined in Plan section 2.1 or elsewhere in this Plan, whenever used in this Article, the following terms shall have the respective meanings set forth below, unless expressly provided otherwise. When the defined meaning is intended, the term is capitalized.

- a. **“Aggregation Group”** means each Qualified Plan of the Company or any Affiliate in which a Key Employee is a participant and any other Qualified Plan which enables a Qualified Plan of the Company or any Affiliate covering a Key Employee to meet the requirements of Code sections 401(a)(4) or 410. On behalf of the Company, the Administrative Committee may elect to include within the Aggregation Group any other Qualified Plan, together with the Qualified Plans referenced in the preceding sentence, provided that such expanded Aggregation Group continues to satisfy the requirements of Code sections 401(a)(4) and 410(b) for the Plan Year.
- b. **“Determination Date”** means the last day of the preceding Plan Year.
- c. **“Key Employee”** means, effective for Plan Years beginning after 2001, any Employee or a former Employee (including any deceased Employee) who, at any time during the Plan Year, is one of the following:
 - (1) An officer of the Company or any Affiliate whose Section 415 Compensation exceeds \$130,000, as adjusted under Code section 416(i)(1) for Plan Years commencing after 2002, provided however, that the number of Employees included as Key Employees under this paragraph shall not exceed the lesser of:
 - a. 50 Employees; or
 - b. The greater of three Employees or 10 percent of all Employees of the Company and all Affiliates.
 - (2) A five-percent owner of the Company or any Affiliate.
 - (3) A one-percent owner of the Company or any Affiliate whose Section 415 Compensation exceeds \$150,000.

Only Section 415 Compensation attributable to services performed during the Plan Year for the Company or an Affiliate shall be included. Ownership shall be determined in accordance with Code section 318 (as modified by Code section 416(i)(1)(B)(iii)). A Beneficiary or Alternate Payee whose rights under the Plan derive from a Key Employee shall also be treated as a Key Employee.

- d. **“Non-Key Employee”** means any Employee who is not a Key Employee.
- e. **“Top-Heavy Ratio”** means the ratio determined under Plan section 15.3.

15.3 Determination of Top-Heavy Ratio

The Top-Heavy Ratio for a Plan Year shall be determined as follows:

- a. **General Rule.** The numerator of the Top-Heavy Ratio is the sum of the amounts described in subsection (b) under all Qualified Plans in the Aggregation Group for each Key Employee. The denominator of the Top-Heavy Ratio is the sum of the amounts described in subsection (b) under all Qualified Plans in the Aggregation Group for all Employees.
- b. **Included Amounts.** When determining the Top-Heavy Ratio, the following amounts shall be included:
 - (1) The Employee’s total Account balance as of the Determination Date under this Plan;
 - (2) The Employee’s total account balance as of the Determination Date under all other Qualified Plans that are defined contribution plans included in the Aggregation Group;
 - (3) The present value as of the Determination Date of the Employee’s accrued benefit under all Qualified Plans that are defined benefit plans included in the Aggregation Group.
- c. **Special Rules.** For purposes of computing the Top-Heavy Ratio and included amounts, the following rules shall apply:
 - (1) The present value of accrued benefits shall be determined using reasonable actuarial assumptions.
 - (2) In the case of a distribution made for a reason other than severance from employment, death, or Disability (*e.g.*, in-service withdrawals), this provision shall be applied by substituting “five-year period” for “one-year period.”
 - (3) Any Rollover, Roth Rollover or After-Tax Rollover Contribution (or similar transfer) initiated by the Employee and made after December 31, 1983, to a Qualified Plan in the Aggregation Group shall be excluded when determining account balances with respect to the transferee plan.
 - (4) Account balances and accrued benefits shall be taken into account only to the extent attributable to contributions by the Company or Affiliate and contributions by the Employee while employed by the Company or an Affiliate.
 - (5) The present values of accrued benefits and account balances of any individual who has not performed services for the Company or any Affiliate during the one-year period ending on the Determination Date shall not be taken into account when determining the Top-Heavy Ratio.

- (6) Account balances or accrued benefits of an Employee shall not be taken into account if the Employee is not a Key Employee for the Plan Year being tested but was a Key Employee in a prior Plan Year.
- (7) To the extent required by Code section 416(e), contributions and benefits relating to Social Security or similar programs under federal or state law shall not be taken into account in determining the Top-Heavy Ratio.

15.4 Required Minimum Allocations

If the provisions of this Article apply for the Plan Year because the Top-Heavy Ratio exceeds 60 percent, then with respect to the defined contribution minimum allocation required by Code section 416(c)(2) and related Treasury Regulations, the contributions shall be made under the Retirement Plan on behalf of each Non-Key Employee who is a Participant who has not incurred a Separation from Service as of the last day of the Plan Year (regardless of whether the Non-Key Employee has less than 1,000 hours of service (or the equivalent) and regardless of the Non-Key Employee's level of Section 415 Compensation), in an allocation for that Plan Year of not less than the lesser of:

- a. Three percent of the Participant's Section 415 Compensation, or
- b. The percentage equal to the largest contribution, expressed as a percentage of Section 415 Compensation, received by any Key Employee under all defined contribution plans in the Aggregation Group.

For purposes of satisfying the requirements of this section, Pre-Tax Deferrals and Roth Contributions shall not be included, for any Employee who is a Non-Key Employee, but shall be included for any Participant who is a Key Employee. Effective for Plan Years beginning after 2001, the allocation of Matching Contributions shall be included for all Employees. If any Qualified Plan in the Aggregation Group is a defined benefit plan, then any Participant who participates both in a defined benefit plan and would otherwise be entitled to a minimum contribution under this section shall receive the defined benefit minimum prescribed under Code section 416(c)(1) and related Treasury Regulations under the defined benefit plan and shall not receive the minimum allocation under this section.

15.5 Required Minimum Vesting

If the provisions of this Article apply for the Plan Year because the Top-Heavy Ratio exceeds 60 percent, then each Participant who has not incurred a Separation from Service as of the last day of the Plan Year shall continue to vest in his or her Matching Account and any defined contribution minimum allocation, as described in Plan section 15.4, for the Plan Year in accordance with the provisions of Plan section 3.5, which provides for vesting that is in all cases equal to or more rapid than required by Code section 416(b).

15.6 Employees Covered by Collective Bargaining Agreement

Notwithstanding any provision of this Article to the contrary, the provisions of Plan sections 15.4 and 15.5 shall not apply with respect to any Represented Employee covered by a collective bargaining agreement where retirement benefits were the subject of good faith bargaining between the Employer and the union.

Article 16. Miscellaneous Provisions

16.1 No Enlargement of Employment Rights

This Plan is strictly a voluntary undertaking on the part of the Company and the Employers and shall not be deemed to constitute a contract between the Employers and any Employee or Participant, Beneficiary, or Alternate Payee, or to be consideration for, or an inducement to, or a condition of, the employment of any Employee. Nothing contained in this Plan or any modification of the same or act done in pursuance hereof shall be construed as giving any person any legal or equitable right against the Employer, the Trustee, or the Trust Fund, unless specifically provided herein, or as giving any person a right to be retained in the employ of the Employer. All Participants shall remain subject to assignment, reassignment, promotion, transfer, layoff, reduction, suspension, and discharge to the same extent as if this Plan had never been established. No Participant, Beneficiary, or Alternate Payee, before satisfying all conditions for receiving benefits, shall have any right or interest in or to any portion of the Trust Fund. No one shall have any right to benefits, except to the extent provided in this Plan.

16.2 No Examination or Accounting

Neither this Plan nor any action taken thereunder shall be construed as giving any person the right to an accounting or to examine the books or affairs of the Company or any Affiliate.

16.3 Investment Risk

The Participants and their Beneficiaries shall assume all risks in connection with any decrease in the value of any assets or funds which may be invested or reinvested in the Trust Fund which supports this Plan.

16.4 Non-Alienation

- a. Except as otherwise permitted by the Plan, no benefit payable at any time under the Plan shall be subject to the debts or liabilities of a Participant or his or her Beneficiary. Any attempt to alienate, sell, transfer, assign, pledge, or otherwise encumber any such benefit, whether presently or thereafter payable, shall be void. Except as provided in this section, no benefit under the Plan shall be subject in any manner to attachment, garnishment, or encumbrance of any kind.
- b. Payment may be made from a Participant's Account to an Alternate Payee, pursuant to a Qualified Domestic Relations Order.
 - (1) The Administrative Committee shall establish reasonable written procedures for reviewing court orders made, pursuant to state domestic relations law (including a community property law), relating to child support, alimony payments, or marital property rights of a Spouse, former Spouse, child, or other dependent of a Participant and for notifying Participants and Alternate Payees of the receipt of such orders and of the Plan's procedures for determining if the orders are Qualified Domestic Relations Orders and for administering distributions under Qualified Domestic Relations Orders.

- (2) Except as may otherwise be required by applicable law, such Qualified Domestic Relations Orders may not require a retroactive transfer of all or part of a Participant's Account to or for the benefit of an Alternate Payee without permitting an appropriate adjustment for earnings and investment gains or losses that have occurred in the interim, nor shall such orders require the Plan to provide rights to Alternate Payees that are not available to Beneficiaries generally.
- (3) In cases in which a full and prompt payment of amounts assigned to an Alternate Payee will not be made, pursuant to this subsection, the assigned amounts will be transferred, within a reasonable time after determination that the order is a Qualified Domestic Relations Order, to a separate Account for the benefit of the Alternate Payee and invested in accordance with the Alternate Payee's investment elections pursuant to Article 9.
- (4) No amount that is segregated pending a determination of whether a domestic relations order is a Qualified Domestic Relations Order or transferred to a separate Account for the benefit of the Alternative Payee shall be taken into account when determining the amount that:
 - a. A Participant may withdraw from his or her Account, pursuant to Plan section 7.2;
 - b. A Participant may receive in a Plan loan, pursuant to Plan section 8.2; or
 - c. A Participant (or his or her Beneficiary) may receive in a distribution, pursuant to Plan section 7.3 or 7.5.
- c. Payment may be made from an Account, to the extent required by a federal tax levy made pursuant to Code section 6331 or by the United States' collection of a judgment resulting from an unpaid federal tax assessment. Payment may be made at the time required by the tax levy or judgment collection order, even if payment would not otherwise be made at that time under the terms of the Plan and payment from the Plan would not otherwise be permitted at that time under Code section 401(a), 401(k), or 411(a)(11).
- d. Payments from an Account may be offset to the extent permitted under Code section 401(a)(13)(C) (relating to offsets regarding breaches of duty with respect to the Plan).
- e. A Participant or Beneficiary may disclaim his or her Account, or a portion thereof, subject to the rules which may be modified from time to time by the Administrative Committee.

16.5 Incompetency

Every person receiving or claiming benefits under the Plan shall be conclusively presumed to be mentally competent and of age until the date on which the Administrative Committee (or its delegee) receives a written notice, in a form and manner acceptable to the Administrative Committee (or its delegee), that such person is incompetent or a minor, for whom a guardian or other person legally vested with the care of his or her person or estate has been appointed;

provided, however, that if the Administrative Committee (or its delegee) shall find that any person to whom a benefit is payable under the Plan is unable to care for his or her affairs because of incompetency, or is a minor, any payment due (unless a prior claim therefore shall have been made by a duly appointed legal representative) may be paid to the Spouse, a child, a parent, a brother or sister, or to any person or institution deemed by the Administrative Committee (or its delegee) to have incurred expenses for such person otherwise entitled to payment. To the extent permitted by law, any such payment so made shall be a complete discharge of liability therefore under the Plan. In the event that a guardian of the estate of any person receiving or claiming benefits under the Plan shall be appointed by a court of competent jurisdiction or a person shall otherwise qualify as a guardian within the sole discretion of the Administrative Committee (or its delegee) and such guardian provides proper proof of appointment, qualification, or continuing qualification, as applicable, in a form and manner acceptable to the Administrative Committee (or its delegee), then, to the extent permitted by law:

- a. Such guardian may act for the Participant, Beneficiary, or Alternate Payee and make any election required of or permitted by the Participant, Beneficiary, or Alternate Payee under this Plan, and such action or election shall be deemed to have been taken by the Participant, Beneficiary, or Alternate Payee; and
- b. Benefit payments may be made to such guardian, and any such payment so made shall be a complete discharge of any liability therefore under the Plan.

16.6 Records Conclusive

The records of the Company, Employers, the Administrative Committee, the Investment Committee and the Trustee shall be conclusive in respect to all matters involved in the administration of the Plan.

16.7 Counterparts

This Plan may be executed in any number of counterparts, each of which shall be deemed to be an original. All the counterparts shall constitute but one and the same instrument and may be sufficiently evidenced by any one counterpart.

16.8 Service of Legal Process

The Trustee, the members of the Administrative Committee, and the Secretary of the Company are hereby designated agents of the Plan for the purpose of receiving service of summons, subpoena, or other legal process.

16.9 Uncashed or Unclaimed Benefits

- a. Stale Checks. Effective on or after August 8, 2016 and through December 31, 2020, if a distribution check is issued under the Plan and such distribution check is not cashed within 6 months after issuance, the check will be characterized as stale, and the funds re-deposited into a special account under the Plan. Such funds shall be characterized on an after-tax basis and effective December 1, 2016, or as soon as practicable thereafter but in no event later than December 31, 2016, such amounts will be invested in the Plan's Stable Value Fund or such other fund as determined within the discretion of the Investment Committee. The check will be reissued upon request by the Participant pursuant to procedures established by the Administrative Committee. On and after

January 1, 2021, distribution checks uncashed within 6 months after issuance shall be administered in accordance with procedures established by the Administrative Committee.

- b. Lost Participants. In the event that the Administrative Committee or its delegee, after having made a diligent search, is unable to locate a Participant, Beneficiary, or Alternate Payee who is entitled to benefits under this Plan, such benefits shall be treated as a forfeiture under Plan section 3.6. In the event that the Participant, Beneficiary, or Alternate Payee whose Account is subject to such forfeiture subsequently asserts a valid claim for benefits, the Account will be restored in the manner described in Plan section 3.6.

16.10 Qualified Military Service

Notwithstanding any provision of this Plan to the contrary, contributions, benefits and Service credit required with respect to qualified military service, within the meaning of Code section 414(u), will be provided in accordance with the mandatory provisions of Code section 414(u). In addition, in compliance with the Heroes Earnings Assistance and Relief Tax Act ("HEART"), the following provisions shall apply notwithstanding any Plan provision to the contrary:

- a. Effective January 1, 2007, if the Participant dies while on qualified military service, the Participant's Beneficiary shall be entitled to any benefit under the Plan (other than additional allocations related to the period of qualified military service) to the same extent that the Participant would have been entitled to such benefit had the Participant resumed employment and then incurred a Separation from Service on account of death.
- b. Effective January 1, 2009, Differential Wages shall be treated as Base Pay, as provided in Plan section 2.1(r)(2)(H), and Section 415 Compensation, as provided in Plan section 2.1(sss)(2)(D), paid to an Active Participant by the Employer making the payment. For this purpose, Differential Wages means any payment made by an Employer with respect to any period during which the Employee is performing qualified military service and represents all or a portion of the wages the Employee would have received from the Employer if the Employee were performing service for the Employer.
- c. Effective January 1, 2009 and even if the Employee is receiving Differential Wages, a Participant performing qualified military service will be treated as having incurred a Separation from Service during the period of such qualified military service for purposes of Plan section 7.3, but only with respect to the Participant's Pre-Tax Account and Roth Account. If the Participant elects to receive a distribution under this deemed Separation from Service, then such Participant shall not be permitted to make Pre-Tax Deferrals, Roth Contributions, Catch-Up Contributions or After-Tax Contributions during the six-month period beginning on the date of the distribution. Effective for withdrawals requested after August 8, 2016, if a Participant is suspended from making any Pre-Tax Deferrals, Roth Contributions, Catch-Up Contributions and/or After Tax Contributions in accordance with the sentence above, such contributions will be automatically reinstated upon expiration of the six-month suspension period at the Default Percentage, as

applicable, or if the Participant was not subject to automatic enrollment or had opted out of automatic enrollment at the percentage in place prior to the suspension.

* * *

In Witness Whereof, Occidental Petroleum Corporation has caused this amended and restated Plan to be executed this 31st day of December, 2020.

Occidental Petroleum Corporation

By /s/ Mark Grommesh

Its Vice President, Joint Ventures

**OCCIDENTAL PETROLEUM CORPORATION
MODIFIED DEFERRED COMPENSATION PLAN**

(Effective December 31, 2006

Amended and Restated Effective January 1, 2021)

**ARTICLE I
PURPOSE**

Effective December 31, 2006, the Occidental Petroleum Corporation Deferred Compensation Plan 2 (the “DCP2”) was merged with and into the Occidental Petroleum Corporation 2005 Deferred Compensation Plan (the “2005 DCP”), which was amended and restated as the Occidental Petroleum Corporation Modified Deferred Compensation Plan (the “Plan”). Effective December 31, 2006, for each Participant making a Special Transition Rule Election under Section 5.11, the Deferral Account (if any) of such Participant under the DCP2 was merged with the Deferral Account (if any) of such Participant under the 2005 DCP, the Savings Plan Restoration Account (if any) of such Participant under the DCP2 was merged with the Savings Plan Restoration Account (if any) of such Participant under the 2005 DCP, the SEDCP Deferral Account (if any) of such Participant under the DCP2 was transferred to the 2005 DCP, and all such accounts are governed by the terms of this Plan. For Participants not making such an election, any Deferral Account, Savings Plan Restoration Account, or SEDCP Deferral Account of such Participant under the DCP2 or 2005 DCP is subject to the terms of this Plan but maintained separate from each other. The Plan was amended and restated effective November 1, 2008 and was subsequently amended and restated effective January 1, 2017, January 1, 2018, and again effective January 1, 2019. This January 1, 2021 restatement of the Plan is generally effective as of January 1, 2021, except as otherwise specifically set forth herein.

The purpose of the Plan is to provide a tax-deferred opportunity for key management and highly compensated employees of Occidental Petroleum Corporation and its Affiliates (as defined below) to accumulate additional retirement income through deferrals of compensation.

This Plan is intended to satisfy the requirements of Section 409A of the Internal Revenue Code, and any regulations promulgated thereunder, so that the taxation to Participants or Beneficiaries of any compensation deferred under this Plan is deferred.

**ARTICLE II
DEFINITIONS**

Whenever the following words and phrases are used in this Plan with the first letter capitalized, they shall have the meanings specified below:

Affiliate. “Affiliate” means (i) any corporation that is a member of a controlled group of corporations (within the meaning of Code Section 1563(a), determined without regard to Code Sections 1563(a)(4) and (e)(3)(C), and with the phrase “more than 50%” substituted for the phrase “at least 80%” each place it appears in Code Section 1563(a)) of which Occidental Petroleum Corporation is a component member, or (ii) any entity (whether or not incorporated)

that is under common control with Occidental Petroleum Corporation (as defined in Code Section 414(c) and the Treasury Regulations thereunder, and with the phrase “more than 50%” substituted for the phrase “at least 80%” each place it appears in the Treasury Regulations under Code Section 414(c)).

Alternate Payee. “Alternate Payee” means a former spouse of a Participant who is recognized by a Divorce Order as having a right to receive all, or a portion of, the benefits payable under this Plan with respect to such Participant.

Amortization Method. “Amortization Method” means an annual installment method of paying a Participant’s benefits under which the Company will pay the Participant an initial payment in an amount equal to (i) plus (ii) divided by (iii), where (i) is the value of the Participant’s Deferral Accounts as of the end of the month preceding such payment, (ii) is the amount of interest that would accrue during the entire payout period on the unpaid balance credited to the Participant’s Deferral Accounts immediately following such initial payment if the Declared Rate then in effect remained unchanged and (iii) is the number of years over which annual installments are to be paid. For each Plan Year after the initial benefit payment is made, the annual benefit payment will be determined under the same equation where (i) is the value of the Participant’s Deferral Accounts as of the end of the month preceding the benefit payment, (ii) is the amount of interest that would accrue during the remaining payout period on the unpaid balance credited to the Participant’s Deferral Accounts immediately following such annual payment if the Declared Rate then in effect remained unchanged and (iii) is the number of annual payments remaining. Notwithstanding anything in the Plan to the contrary, the Amortization Method shall not be available with respect to benefits earned on or after January 1, 2017.

Base Salary. “Base Salary” means the base salary earned by a Participant during pay periods ending in a Plan Year, excluding Bonus, all severance allowances, forms of incentive compensation, Savings Plan, Retirement Plan or other Company qualified plan contributions or benefits, retainers, insurance premiums or benefits, reimbursements, and all other payments, prior to reduction for any deferrals under this Plan or any other plan of the Company or reductions under the Company’s Savings Plan allowed under Code Section 401(k).

Beneficiary. “Beneficiary” means the person or persons designated as such in accordance with Article VI.

Beneficiary Benefit. “Beneficiary Benefit” means the payment to a Participant’s Beneficiary of the value of the Participant’s Deferral Accounts pursuant to Section 5.2 on account of the Participant’s death.

Board. “Board” means the Board of Directors of Occidental Petroleum Corporation.

Bonus. “Bonus” means the bonus earned by a Participant under a regular annual incentive compensation plan (excluding without limitation a special individual or group bonus, a project bonus, and any other special bonus) during a Plan Year prior to reduction for any deferral under this Plan or any other plan of the Company.

Change in Control. “Change in Control” means (i) for purposes of Sections 8.1 and 8.2(a), any event described in (a), (b), (c) or (d) below, and (ii) for purposes of Section 5.6, any event that constitutes a “change in control event” for purposes of Code Section 409A and Treas.

Reg. § 1.409A-3(i)(5) (or any successor provisions) and that is described in subsection (a), (b), (c) or (d) below:

(a) Approval by the stockholders of Occidental Petroleum Corporation (or, if no stockholder approval is required, by the Board) of the dissolution or liquidation of Occidental Petroleum Corporation, other than in the context of a transaction that does not constitute a Change in Control under subsection (b) below;

(b) Consummation of a merger, consolidation, or other reorganization, with or into, or the sale of all or substantially all of Occidental Petroleum Corporation's business and/or assets as an entirety to, one or more entities that are not subsidiaries or other affiliates of Occidental Petroleum Corporation (a "Business Combination"), unless (i) as a result of the Business Combination, more than 50% of the outstanding voting power of the surviving or resulting entity or a parent thereof (the "Successor Entity") immediately after the Business Combination is, or will be, owned, directly or indirectly, by holders of Occidental Petroleum Corporation's voting securities immediately before the Business Combination; (ii) no "person" (as such term is used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended from time to time (the "Exchange Act")), excluding the Successor Entity or any employee benefit plan of Occidental Petroleum Corporation and any trustee or other fiduciary holding securities under an Occidental Petroleum Corporation employee benefit plan or any person described in and satisfying the conditions of Rule 13d-1(b)(i) of the Exchange Act (an "Excluded Person"), beneficially owns, directly or indirectly, more than 20% of the outstanding shares or the combined voting power of the outstanding voting securities of the Successor Entity, after giving effect to the Business Combination, except to the extent that such ownership existed prior to the Business Combination; and (iii) at least 50% of the members of the board of directors of the entity resulting from the Business Combination were members of the Board at the time of the execution of the initial agreement or of the action of the Board approving the Business Combination;

(c) Any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act, but excluding any Excluded Person) is or becomes the beneficial owner (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of Occidental Petroleum Corporation representing 20% or more of the combined voting power of Occidental Petroleum Corporation's then outstanding voting securities, other than as a result of (i) an acquisition directly from Occidental Petroleum Corporation; (ii) an acquisition by Occidental Petroleum Corporation; or (iii) an acquisition by any employee benefit plan (or related trust) sponsored or maintained by Occidental Petroleum Corporation or a Successor Entity; or

(d) During any period not longer than two consecutive years, individuals who at the beginning of such period constituted the Board cease to constitute at least a majority thereof, unless the election, or the nomination for election by Occidental Petroleum Corporation's stockholders, of each new Board member was approved by a vote of at least two-thirds (2/3) of the Board members then still in office who were Board members at the beginning of such period (including for these purposes, new members whose election or nomination was so approved), but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a person other than the Board.

Class Year Subaccount. “Class Year Subaccount” means each subaccount of a Participant’s Deferral Account established for distribution purposes to separately account for deferred Base Salary and/or Bonus and/or any related Savings Plan Restoration Contributions (and interest credited thereto) for each Plan Year beginning on or after January 1, 2018.

Code. “Code” means the Internal Revenue Code of 1986, as amended.

Committee. “Committee” means the administrative committee appointed to administer the Plan pursuant to Article III.

Company. “Company” means Occidental Petroleum Corporation, or any successor thereto, and any Affiliates.

Company Management. “Company Management” means the Chairman of the Board, President or any Executive Vice President of Occidental Petroleum Corporation.

Compensation. “Compensation” means Base Salary and/or Bonus.

DCP Deferral Account. “DCP Deferral Account” means the account maintained on the books of account of the Company for each Participant pursuant to Article IV to account for amounts deferred under the 1988 DCP prior to January 1, 1999, and the amounts subsequently deferred under the Prior Plan, the DCP2, the 2005 DCP and this Plan.

DCP Deferral Amount. “DCP Deferral Amount” means an amount of a Participant’s Base Salary and/or Bonus that is deferred under the Plan, including amounts deferred under the 1988 DCP, the Prior Plan, the DCP2, the 2005 DCP and this Plan.

DCP2. “DCP2” means the Occidental Petroleum Corporation Deferred Compensation Plan 2, effective as of October 12, 2006.

Declared Rate. “Declared Rate” with respect to any Plan Year means the rate at which interest will be credited on Deferral Accounts for such Plan Year. The Declared Rate for each Plan Year commencing on or after January 1, 2009, will be the monthly yield on 5-year Treasury Constant Maturities plus 2%. Notwithstanding the foregoing, the Declared Rate for DCP Deferral Amounts that were earned and deferred prior to 1994 under the 1988 DCP (including bonuses which were earned for 1993), together with accumulated interest thereon, will in no event be less than 8% for any Plan Year. Accordingly, the Declared Rate for any Plan Year may be different for DCP Deferral Amounts that were earned and deferred under the 1988 DCP prior to January 1, 1994 than for DCP Deferral Amounts earned after such date.

Deferral Account(s). “Deferral Account(s)” means a Participant’s DCP Deferral Account and/or SEDCP Deferral Account (if any) and/or Savings Plan Restoration Account (if any) maintained on the books of account of the Company for each Participant pursuant to Article IV.

Deferral Election Form. “Deferral Election Form” means a paper or electronic election form provided by the Committee on which an Eligible Employee may elect to defer Base Salary and/or Bonus in accordance with Article IV.

Distribution Election Form. “Distribution Election Form” means a paper or electronic election form provided by the Committee on which a Participant may elect the form of payment of his benefits in accordance with Articles IV and V.

Divorce Order. “Divorce Order” means any judgment, decree, or order (including judicial approval of a property settlement agreement) that relates to the settlement of marital property rights between a Participant and his former spouse pursuant to state domestic relations law (including, without limitation and if applicable, community property law), as described in Treas. Reg. § 1.409A-3(j)(4)(ii).

Early Payment Benefit. “Early Payment Benefit” means a benefit paid to a Participant in an Early Payment Year beginning prior to the Participant’s Separation from Service pursuant to Section 5.4.

Early Payment Year. “Early Payment Year” means any year beginning prior to a Participant’s Separation from Service that a Participant elects pursuant to Section 4.1(c) to have an Early Payment Benefit paid or commenced to be paid.

Early Payment Year Subaccount. “Early Payment Year Subaccount” means any subaccount of a Participant’s DCP Deferral Account established to separately account for deferred Base Salary and/or Bonus and/or any Savings Plan Restoration Contributions (and interest credited thereto) that is subject to an Early Payment Benefit election.

Eligible Employee. “Eligible Employee” means each key management employee or other highly compensated employee of the Company who is selected by Company Management to participate in the Plan.

Emergency Benefit. “Emergency Benefit” means the payment to a Participant of part or all of his Deferral Accounts in the event that the Participant has an Unforeseeable Emergency pursuant to Section 5.5.

ERISA. “ERISA” means the Employee Retirement Income Security Act of 1974, as amended.

Fractional Method. “Fractional Method” means an installment method of paying a Deferral Account or subaccount under which the Company will determine the amount of each annual installment by dividing the value of the Deferral Account or subaccount as of the end of the month preceding the payment date by the number of annual installments remaining to be paid.

1988 DCP. “1988 DCP” means the Occidental Petroleum Corporation 1988 Deferred Compensation Plan.

Participant. “Participant” means (i) each individual who, as of December 30, 2006, was a participant in the 2005 DCP or DCP2 and has not received a complete distribution of the benefits accrued under those plans, (ii) an Eligible Employee who has filed a completed and fully executed Deferral Election Form with the Committee and is participating in the Plan in accordance with the provisions of Article IV, and (iii) any person who has a Deferral Account by reason of his prior status as an Eligible Employee. Under no circumstances shall “Participant” mean any Alternate Payee.

Plan Year. “Plan Year” means the calendar year beginning on January 1 and ending on December 31.

Pre-2018 Subaccount. “Pre-2018 Subaccount” means the subaccount of a Participant’s Deferral Account established for distribution purposes to separately account for amounts credited to the Participant’s Deferral Account for all periods prior to January 1, 2018 (including the entire balance of a Participant’s SEDCP Deferral Account).

Prior Plan. “Prior Plan” means the Occidental Petroleum Corporation Deferred Compensation Plan as amended and restated as of January 1, 2003, under which deferrals ceased as of December 31, 2004.

Qualified Divorce Order. “Qualified Divorce Order” means a Divorce Order that (a) creates or recognizes the existence of an Alternate Payee’s right to, or assigns to an Alternate Payee the right to, receive all or a portion of the benefits payable to a Participant under this Plan; (b) clearly specifies (i) the name and the last known mailing address of the Participant and the name and mailing address of the Alternate Payee covered by the order, (ii) the amount or percentage of the Participant’s benefits to be paid by this Plan to the Alternate Payee, or the manner in which such amount or percentage is to be determined, (iii) the number of payments or period to which such order applies, and (iv) that it applies to this Plan; and (c) does not (i) require this Plan to provide any type or form of benefit, or any option, not otherwise provided under the Plan, (ii) require this Plan to provide increased benefits, or (iii) require the payment of benefits to an Alternate Payee that are required to be paid to another Alternate Payee under another Divorce Order previously determined to be a Qualified Divorce Order.

Retirement. “Retirement” means the Participant’s Separation from Service for reasons other than death after the Participant attains age 55. Notwithstanding the foregoing, with respect to Participants who executed a consulting agreement with the Company prior to October 3, 2004, “Retirement” means the termination date of the Participant’s consulting agreement.

Retirement Benefit. “Retirement Benefit” means the payment to a Participant of the value of the Participant’s Pre-2018 Subaccount and Class Year Subaccounts, as applicable, pursuant to Section 5.1 following Retirement.

Retirement Plan. “Retirement Plan” means the Occidental Petroleum Corporation Retirement Plan, as amended from time to time.

SEDCP. “SEDCP” means the Occidental Petroleum Corporation Senior Executive Deferred Compensation Plan under which certain Company executives deferred compensation.

SEDCP Deferral Account. “SEDCP Deferral Account” means the account maintained on the books of account of the Company for certain Participants pursuant to Article IV to account for amounts deferred under the SEDCP.

Savings Plan. “Savings Plan” means the Occidental Petroleum Corporation Savings Plan, as amended from time to time.

Savings Plan Restoration Account. “Savings Plan Restoration Account” means the account maintained on the books of account of the Company to reflect Savings Plan Restoration Contributions made by the Company pursuant to Section 4.6.

Savings Plan Restoration Contribution. “Savings Plan Restoration Contribution” means the amount credited to a Participant’s Savings Plan Restoration Account pursuant to Section 4.6.

Separation from Service. “Separation from Service” means a Participant’s “separation from service” as defined under Code Section 409A and Treas. Reg. § 1.409A-1(h) (or successor provisions). A Participant shall have a Separation from Service if the Participant ceases to be an employee of both:

- (i) The Company that employs the Participant; and
- (ii) All Affiliates with whom such Company would be considered a single employer under Code Section 414(b) or 414(c).

For this purpose, a Participant who ceases to be an employee of an entity described in (i) or (ii) above shall not be considered to have a Separation from Service if such cessation of employment is followed immediately by his commencement of employment with another entity described in (i) or (ii) above.

A Participant shall have a Separation from Service if it is reasonably anticipated that no further services shall be performed by the Participant, or that the level of services the Participant shall perform shall permanently decrease to no more than 20 percent of the average level of services performed by the Participant over the immediately preceding 36-month period (or the Participant’s full period of service, if the Participant has been performing services for less than 36 months).

For avoidance of doubt, the transfer of employment of a CRC Deferred Compensation Beneficiary, as that term is defined in the Employee Matters Agreement between Occidental Petroleum Corporation and California Resources Corporation, from Occidental Petroleum Corporation to California Resources Corporation shall not be a Separation from Service.

Specified Employee. “Specified Employee” means an Employee who is a “specified employee” within the meaning of Section 409A and Treas. Reg. § 1.409A-1(i) (or successor provisions) and as determined pursuant to any rules adopted for such purposes by Occidental Petroleum Corporation.

Termination Benefit. “Termination Benefit” means the payment to a Participant of the value of the Participant’s Pre-2018 Subaccount and Class Year Subaccounts, as applicable, pursuant to Section 5.1 on account of the Participant’s Separation from Service other than due to Retirement or death.

2005 DCP. “2005 DCP” means the Occidental Petroleum Corporation 2005 Deferred Compensation Plan, restated as of January 1, 2005 and as subsequently amended.

2005 DSP. “2005 DSP” means the Occidental Petroleum Corporation 2005 Deferred Stock Program, as amended from time to time.

Unforeseeable Emergency. “Unforeseeable Emergency” means a severe financial hardship to the Participant resulting from an illness or accident of the Participant, the Participant’s spouse, or a dependent (as defined in Code Section 152, without regard to Code Sections 152(b)(1), (b)(2) and (d)(1)(B)) of the Participant, loss of the Participant’s property due to casualty, or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant.

**ARTICLE III
ADMINISTRATION OF THE PLAN**

A Committee shall be appointed by the Board to administer the Plan and establish, adopt, or revise such rules and regulations as the Committee may deem necessary or advisable for the administration of the Plan and to interpret the provisions of the Plan, and, except as otherwise indicated herein, any such interpretations shall be conclusive and binding. All decisions of the Committee shall be by vote of at least two of the Committee members and shall be final. The Committee may appoint any agent and delegate to such agent such powers and duties in connection with the administration of the Plan as the Committee may from time to time prescribe. The Plan is intended to comply with the requirements of Code Section 409A and shall be interpreted and administered accordingly.

Members of the Committee shall be eligible to participate in the Plan while serving as members of the Committee, but a member of the Committee shall not vote or act upon any matter which relates solely to such member's interest in the Plan as a Participant.

**ARTICLE IV
PARTICIPATION**

4.1 Election to Participate.

(a) Deferral Elections. An Eligible Employee may elect to participate in the Plan and elect to defer annual Base Salary and/or Bonus under the Plan by filing with the Committee a completed and fully executed Deferral Election Form prior to the beginning of the Plan Year during which the Eligible Employee performs the services for which such Base Salary and Bonus are to be earned, or at such other time as the Committee may permit in accordance with the regulations promulgated under Code Section 409A. Deferral Election Forms must be filed in accordance with the instructions set forth in the Deferral Election Forms.

Prior to December 1, 2016, an employee who first becomes an Eligible Employee during a Plan Year may make an initial deferral election under this Plan within 30 days after the date the employee becomes an Eligible Employee provided that such Eligible Employee has not previously become eligible to participate in any other account balance plan that is required to be aggregated with this Plan as described in Treas. Reg. § 1.409A-1(c)(2) (or any successor provision). Any such election shall apply to Base Salary earned for services performed after the 30-day election window described in the previous sentence and to that portion of the Bonus earned during such Plan Year equal to the total amount of the Bonus multiplied by the ratio of the number of days remaining in the Plan Year after the 30-day election window described in the previous sentence ends over the total number of days in the Plan Year. Effective December 1, 2016, Eligible Employees may no longer make initial deferral elections pursuant to the rule in this paragraph. As of that date, Eligible Employees may only commence or resume participation in the Plan on January 1 of a Plan Year, which shall require the filing of a Deferral Election Form prior to the beginning of such Plan Year as provided in the first paragraph of this Section 4.1.

A Deferral Election Form filed for a Plan Year shall be effective for Base Salary and/or Bonus to be earned during that Plan Year only. For each subsequent Plan Year, an Eligible Employee who wishes to defer Base Salary and/or Bonus must file a new complete and fully executed Deferral Election Form in accordance with the instructions set forth in the Deferral Election Form but in any event prior to January 1 of such Plan Year.

Each Deferral Election Form will designate the DCP Deferral Amounts as a fixed percentage (in increments of 1%) of Base Salary and/or (i) a fixed dollar amount or a fixed percentage of Bonus or (ii) 100% of any Bonus exceeding a specified dollar amount, as elected by the Participant. Deferrals of Base Salary will normally be deducted ratably during the Plan Year, except as otherwise determined by the Committee to take into account special circumstances; provided that in no event will the Committee's action alter the total amount of Deferrals for the Plan Year. In its sole discretion, the Committee may also permit amounts that an Eligible Employee has previously elected to defer under other plans or agreements with the Company to be transferred to this Plan and credited to his Deferral Accounts that are maintained hereunder, provided that no change shall be made in the time or form of payment of such transferred amounts except as may be permitted by Code Section 409A.

(i) Minimum Deferral. For each Plan Year, the minimum amount of Base Salary that a Participant may elect to defer is 5% of Base Salary, if expressed as a percentage, and the minimum amount of Bonus that a Participant may elect to defer is any of the following: (I) \$5,000, (II) 5% of Bonus, or (III) 100% of that portion of any Bonus that exceeds a dollar amount specified by the Participant on his Deferral Election Form.

(ii) Maximum Deferral. For each Plan Year, the maximum amount of Base Salary that a Participant may elect to defer is 75% of Base Salary, and the maximum amount of Bonus that a Participant may elect to defer is 90% of Bonus; provided that, with respect to amounts earned after 2018, the maximum total amount of Compensation that a Participant may elect to defer is \$150,000 in a Plan Year. The \$150,000 limit shall apply to amounts of Base Salary and Bonus earned in any one Plan Year. For example, in Plan Year 2021, the \$150,000 limit shall first apply to deferrals of Base Salary that would have otherwise been paid in 2021 and then to deferrals of Bonus that are earned in 2021 and would otherwise be payable in 2022.

(iii) Deferral Account Balance. Notwithstanding anything herein to the contrary, effective with respect to amounts earned in 2019 and thereafter, if as of December 31 of any Plan Year, a Participant's total Deferral Account balance is \$2,000,000 or more, then the Participant may not defer any compensation earned in the following Plan Year and any election to do so shall be considered void. If as of December 31 of any Plan Year, a Participant's total Deferral Account balance is less than \$2,000,000, then the Participant may defer compensation earned in the following Plan Year in accordance with this Article IV. Amounts earned in Plan Years prior to 2019 shall be subject to the limitations described in the Plan document then in effect. For purposes of this provision, a Participant's Deferral Account balance shall exclude the balance in the Participant's Savings Plan Restoration Account, if any.

(b) Distribution Elections.

(i) Distribution Elections for 2018 and Subsequent Plan Years. An Eligible Employee who files a Deferral Election Form for any Plan Year beginning on or after January 1, 2018 also may file a Distribution Election Form with each such Deferral Election Form to elect to have all deferrals for such Plan Year paid either (A) in a lump sum or annual payments for any other number of years between two (2) and 20 years following his Retirement or (B) as an Early Payment Benefit in accordance with Section 4.1(c). Such Distribution Election Form shall apply to all Base Salary and/or Bonus deferred for such Plan Year and shall also apply to any Savings Plan Restoration Contributions attributable to such deferred Base Salary and/or Bonus (as described further in Section 4.1(c) below). Subject to Section 5.1(d), a Distribution Election Form filed for a Plan Year shall become irrevocable no later than December 31 of the immediately preceding Plan Year. A Distribution Election Form filed for a Plan Year shall be effective for deferrals for that Plan Year only. If an Eligible Employee fails to file a Distribution Election Form for any Plan Year, he or she shall be deemed to have elected to have the deferrals for such Plan Year paid in a single lump sum following Separation from Service as provided in Section 5.1(a).

(ii) Pre-2018 Distribution Elections. With respect to deferrals for Plan Years beginning prior to January 1, 2018, an Eligible Employee was permitted to file a Distribution Election Form simultaneously with the Eligible Employee's first Deferral Election Form to elect the form of payment of all such deferrals to the extent paid as a Retirement Benefit. In addition, a Participant could elect either the Fractional Method or Amortization Method for calculating installments for benefits earned before January 1, 2017. Each Plan Year, an Eligible Employee also had the opportunity to make an election to receive all or a portion of the deferrals for such Plan Year as an Early Payment Benefit in accordance with Section 4.1(c).

(c) Early Payment Benefit Election. With respect to Base Salary and/or Bonus earned after December 31, 2007, an Eligible Employee may irrevocably elect to receive Base Salary and/or Bonus deferred pursuant to Section 4.1(a) prior to Separation from Service in an Early Payment Year. An Early Payment Benefit election filed for the Plan Year beginning January 1, 2008, or for any subsequent Plan Year, shall be effective for the deferred Base Salary and/or Bonus earned during that Plan Year only. A Participant may make an election for an Early Payment Benefit with respect to deferred Base Salary and/or Bonus earned in any future Plan Year by filing a new Early Payment Benefit election with the Committee prior to January 1 of such Plan Year.

Effective January 1, 2017, an Early Payment Benefit election filed with respect to all or a portion of the deferred Base Salary and/or Bonus to be earned during a Plan Year shall also apply to the same portion of any Savings Plan Restoration Contributions attributable to such deferred Base Salary and/or Bonus. For example: (i) any Early Payment Benefit election made by the Participant with respect to deferred Base Salary earned by the Participant for the 2017 Plan Year shall also apply to the portion of the Savings Plan Restoration Contribution made on behalf of a Participant for the 2017 Plan Year that is attributable to such deferred Base Salary and (ii) any Early Payment Benefit election made by the Participant with respect to deferred Bonus earned by the Participant for the 2017 Plan Year and paid during the 2018 Plan Year shall also apply to the

portion of the Savings Plan Restoration Contribution made on behalf of a Participant for the 2018 Plan Year that is attributable to such deferred Bonus.

The following additional rules shall apply to Early Payment Benefit elections:

(A) In an Early Payment Benefit election filed for any Plan Year beginning on or after January 1, 2018, a Participant may elect to have all deferrals for such Plan Year paid in the form of a lump sum prior to Separation from Service in an Early Payment Year. For prior Plan Years, (I) a Participant's Early Payment Benefit election could apply to all or a portion of the deferrals for such Plan Year, as designated by the Participant, (II) a Participant's Early Payment Benefit election could designate both an Early Payment Year prior to Separation from Service and a form of payment, with the available forms being a lump sum payment or annual installments over two (2) to five (5) years, (III) a Participant who elected an installment form also could elect the Amortization Method or Fractional Method for Early Payment Benefits earned before January 1, 2017, (IV) the Early Payment Year elected was required to be a year beginning at least two (2) years after the end of the Plan Year for which the election was made, and (V) the default form of distribution if the Participant failed to designate a payment form was a lump sum.

(B) Prior to January 1, 2018, a Participant could not at any time have Early Payment Benefits scheduled for more than two Early Payment Years. However, after an Early Payment Year occurred and all payments with respect to the corresponding Early Payment Year election were completed, a Participant could elect a new Early Payment Year for future deferrals. Effective January 1, 2018, this restriction on the number of Early Payment Years no longer applies.

4.2 DCP Deferral Accounts.

The Committee shall establish and maintain a separate DCP Deferral Account for each Participant. A DCP Deferral Amount shall be credited by the Company to the Participant's DCP Deferral Account, subject to the Committee's authority in Section 4.1(a), as of the date that the Participant's Base Salary and/or Bonus would otherwise have been paid. Such DCP Deferral Account shall be debited by the amount of any payments made by the Company to the Participant or the Participant's Beneficiary therefrom as of the date of payment. With respect to Early Payment Benefits earned prior to January 1, 2018, the Committee shall establish an Early Payment Year Subaccount within a Participant's DCP Deferral Account for each Early Payment Year elected by that Participant. Any such Early Payment Year Subaccount shall be debited by the amount of any Early Payment Benefit paid by the Company to the Participant in such Early Payment Year pursuant to Section 5.4 as of the date of payment.

Effective January 1, 2018, for distribution purposes, the Committee shall establish a separate Class Year Subaccount within a Participant's Deferral Account for each Plan Year beginning on or after January 1, 2018 for which the Participant has deferrals under the Plan and a Pre-2018 Subaccount within a Participant's Deferral Account for all previously deferred amounts. A Class Year Subaccount shall be further designated as an Early Payment Year Subaccount for each Plan Year beginning on or after January 1, 2018 for which a Participant makes an Early Payment Benefit election in accordance with Section 4.1(c). All such subaccounts shall be debited by the amount of any payments made by the Company to the

Participant or the Participant's Beneficiary therefrom as of the date of payment pursuant to Article V.

4.3 SEDCP Deferral Accounts.

The Committee shall maintain a separate SEDCP Deferral Account for each Participant who was a participant in the SEDCP on December 31, 1998. The balance of such Participant's accounts under the SEDCP as of December 31, 1998 remained credited to each such Participant's SEDCP Deferral Account under the Occidental Petroleum Corporation Deferred Compensation Plan, a predecessor to this Plan, as of January 1, 1999. SEDCP Deferral Accounts shall be debited by the amount of any payments made by the Company to the Participant or the Participant's Beneficiary therefrom as of the date of payment.

4.4 Interest.

Each Deferral Account of a Participant shall be deemed to bear interest on the monthly balance of such Deferral Account at the Declared Rate, compounded monthly. Except as provided in Section 5.2(a), with respect to SEDCP Deferral Accounts for Participants who die prior to becoming eligible for Retirement, interest will be credited to each Deferral Account on a monthly basis on the last day of each month as long as any amount remains credited to such Deferral Account. Amounts of deferred Compensation that are credited to a DCP Deferral Account and amounts of Savings Plan Restoration Contributions that are credited to a Savings Plan Restoration Account prior to the end of a calendar month shall accrue interest from the date of crediting, computed from date of crediting to the end of the month. Effective August 1, 2016, interest shall be credited to Deferral Accounts at the Declared Rate on a daily basis with monthly compounding.

4.5 Valuation of Deferral Accounts.

The value of a Deferral Account as of any date shall equal the amounts previously credited to such Deferral Account less any payments debited to such Deferral Account plus the interest deemed to be earned on such Deferral Account in accordance with Section 4.4 through such date. When payments are made from a DCP Deferral Account for any reason other than an Early Payment Benefit elected after January 1, 1994, such payments shall be deemed to be made on a proportionate or pro-rata basis from DCP Deferral Amounts (including accumulated interest thereon) that were earned and deferred under the 1988 DCP prior to January 1, 1994, and DCP Deferral Amounts (including accumulated interest thereon) that were earned and deferred after that date.

4.6 Savings Plan Restoration Contribution.

(a) General Rule. Effective for Plan Years beginning on and after January 1, 2017, the Company shall credit to the Savings Plan Restoration Account of any Participant an amount equal to the amount by which the contribution that would otherwise have been made by the Company on behalf of the Participant to the Savings Plan for such Plan Year is reduced by reason of the reduction in the Participant's Base Salary for such Plan Year and/or the

Participant's Annual Bonus (as defined in the Savings Plan) paid in such Plan Year because of deferrals under this Plan, assuming that the Participant's contribution percentage under the Savings Plan for the Plan Year is 5 percent. The Savings Plan Restoration Contribution shall be credited to the Savings Plan Restoration Account of each Participant for each Plan Year at the same time as the Company contribution for such Plan Year is made to the Savings Plan. With respect to Plan Years beginning prior to January 1, 2017, Savings Plan Restoration Contributions were credited to Participants' Savings Plan Restoration Accounts under this Plan for periods prior to January 1, 2009, but not for the period from January 1, 2009 through December 31, 2016 (during which period such contributions were instead credited under the Occidental Petroleum Corporation Supplemental Retirement Plan II).

(b) Vesting. A Participant's interest in credits to his Savings Plan Restoration Account attributable to periods prior to January 1, 2009 and earnings thereon shall vest at the same rate and at the same time as would have been the case had such contribution been made to the Savings Plan. As of January 1, 2017, all amounts credited to a Participant's Savings Plan Restoration Account, including credits attributable to periods prior to January 1, 2009, credits attributable to periods on and after January 1, 2017 and credits under paragraph (c) below are 100% vested at all times.

(c) Transfer of Non-Vested Savings Plan Restoration Account from Prior Plan. Effective as of January 1, 2005, that portion of a Participant's Savings Plan Restoration Account under the Prior Plan that was not vested as of December 31, 2004, was transferred to and credited to such Participant's Savings Plan Restoration Account under the 2005 DCP and is governed by the terms of this Plan, including any Distribution Election Form filed under the 2005 DCP on or before December 31, 2005. If the Participant was not participating in the 2005 DCP in 2005, the Participant could nevertheless make an election in accordance with Section 5.1(b) and 5.2 of the 2005 DCP if such election was made by December 31, 2005. If the Participant did not file a Distribution Election Form on or before December 31, 2005, with respect to such amount, together with interest, the Participant was deemed to have made an election to receive distribution in accordance with Section 5.1(a).

4.7 Statement of Deferral Accounts.

The Committee shall submit to each Participant, within 120 days after the close of each Plan Year, a statement in such form as the Committee deems desirable, setting forth the Participant's Deferral Account(s).

4.8 Pre-Merger Payment Elections.

Any payment elections made or deemed to be made by a Participant under the DCP2 or the 2005 DCP and in effect immediately prior to the merger of the two plans on December 31, 2006 shall remain in effect with respect to the portions of the applicable Deferral Accounts attributable to amounts deferred under each plan and shall continue in effect unless and until changed in accordance with the terms of this Plan. The Committee shall establish and maintain separate subaccounts for each Deferral Account as may be necessary to account for amounts subject to different payout elections.

ARTICLE V BENEFITS

5.1 Separation from Service for a Reason other than Death.

(a) **Form and Time of Benefit.** Except as otherwise provided in Sections 5.1 and 5.4, upon a Participant's Separation from Service for a reason other than death (including Retirement), the Company shall pay to the Participant in a single lump sum within the first 90 days of the calendar year following the year of the Participant's Separation from Service an amount equal to the value of the Participant's Deferral Accounts as of the end of the month preceding payment. To the extent that a Retirement Benefit is paid in annual installments pursuant to Section 5.1(b) or 5.1(c), each installment shall be paid within the first 90 days of each calendar year, beginning with the year following the Participant's Retirement and shall be determined based on the value of the Deferral Account or subaccount as of the last day of the month preceding payment. Notwithstanding anything herein to the contrary, in the event that a Participant who is a Specified Employee is entitled to a distribution from the Plan upon or by virtue of such Participant's Separation from Service for a reason other than death, the lump sum payment or the first annual installment payment, as the case may be, shall be paid in the month next following the date that is six (6) months after the date of the Participant's Separation from Service, if later than the time provided above. Any additional installment payments shall be paid within the first 90 days of each subsequent calendar year.

(b) **Payment of Class Year Subaccounts.** On a Distribution Election Form filed in accordance with the requirements set forth in Section 4.1(b) hereof, a Participant may elect to have a Class Year Subaccount (other than a Class Year Subaccount designated as an Early Payment Year Subaccount), if paid as a Retirement Benefit, paid to him following Retirement in a lump sum or annual payments for any other number of years between two (2) and 20 years. The amount of any installments shall be determined using the Fractional Method. If a Participant's Separation from Service is for any reason other than Retirement or death, then all of the Participant's Class Year Subaccounts shall be paid as a Termination Benefit in a lump sum as provided in Section 5.1(a).

(c) **Payment of Pre-2018 Subaccounts.**

(i) **Retirement Benefit.** A Participant who commenced participation in the Plan prior to January 1, 2018 and has a Pre-2018 Subaccount was permitted to elect, on a Distribution Election Form filed simultaneously with and in the same manner as the first Deferral Election Form that the Participant was required to file in accordance with the requirements set forth in Section 4.1 hereof, (A) to have the Pre-2018 Subaccount, but which will not include any amounts attributable to an Early Payment Year Subaccount if Separation from Service occurs after beginning of the relevant Early Payment Year, if paid as a Retirement Benefit, paid to him in a lump sum or annual payments for any other number of years between two (2) and 20 years, and (B) to have the amount of each annual installment determined under either the Amortization Method (if permitted hereunder) or the Fractional Method. If such a Participant failed to elect either the Amortization Method or the Fractional Method, such Participant is deemed to have elected the Fractional Method.

Notwithstanding the foregoing, in the case of an Eligible Employee who commences or resumes participation in the Plan in 2017, (A) the only payment forms that such Participant could elect with respect to his Retirement Benefit were a lump sum or annual payments over five (5), ten (10), fifteen (15) or twenty (20) years and (B) only the Fractional Method for determining installments is available.

(ii) Termination Benefit. If a Participant's Separation from Service is for any reason other than Retirement or death, then the Participant's Pre-2018 Subaccount shall be paid as a Termination Benefit in a lump sum as provided in Section 5.1(a).

(iii) Effect of Pre-Retirement Separation from Service on Spousal Survivor Benefits. Spousal survivor benefits (if any) under Section 5.3 of the Plan shall not be payable to the spouse of a Participant whose Separation from Service occurs prior to Retirement and receives a Termination Benefit under this Section 5.1(c).

(d) Payment Election Changes.

(i) Single Payment. Notwithstanding anything herein to the contrary, an election to receive distribution in a series of annual installments shall be treated as a single payment for purposes of Code Section 409A.

(ii) Permitted Changes. Subject to paragraph (iii) below, a Participant may change his election as to the form of payment of any Class Year Subaccount or Pre-2018 Subaccount, to the extent paid as a Retirement distribution, subject to the following conditions: (A) the election shall not be effective until twelve (12) months after the election is filed with the Committee; (B) the election must defer the lump sum payment or the initial amount of an installment payment for a period of at least five (5) years from the date that the lump sum payment or initial amount of the installment payment, as the case may be, was otherwise payable; and (C) the election must be made at least twelve (12) months prior to the beginning of the calendar year in which the lump sum payment or initial amount of the installment payment, as the case may be, would have been payable if no change as to the form of distribution were ever made.

(iii) Additional Rules. Effective January 1, 2017, a Participant may only make one change pursuant to this Section 5.1(d). Effective January 1, 2018, this limitation shall apply separately to each Class Year Subaccount (other than a Class Year Subaccount designated as an Early Payment Year Subaccount) and any Pre-2018 Subaccount within a Participant's Deferral Account. Effective January 1, 2018, the available forms of payment under this Section 5.1(d) shall be a lump sum or annual installments for any number of years between two (2) and 20 years and only the Fractional Method shall be available. Such change must satisfy all of the requirements of this Section 5.1(d). Changes to Class Year Subaccounts that are designated as an Early Payment Year Subaccount must satisfy all the requirements of Section 5.4. No change may be made following a Participant's Separation from Service.

5.2 Beneficiary Benefits.

(a) Payment of Class Year Subaccounts and Pre-2018 Subaccounts.

(i) General Rules. If Participant's Separation from Service is due to death, the Company will pay to the Participant's Beneficiary in a single lump sum a Beneficiary Benefit that is an amount equal to the aggregate value of the Participant's Class Year Subaccounts and Pre-2018 Subaccount (other than his or her SEDCP Deferral Account (if any) and amounts in any Early Payment Year Subaccount attributable to an Early Payment Year beginning before the date of the Participant's death (if any)). If such Participant also has an SEDCP Deferral Account, the Company will also pay to the Participant's Beneficiary annual payments over the greater of (A) 10 years or (B) until the Participant would have attained age 65 equal to 25% of the amount deferred under the SEDCP (excluding any interest on such deferrals), which payments shall be in full satisfaction of the benefits payable with respect to the Participant's SEDCP Deferral Account. Notwithstanding the foregoing, the Participant's Beneficiary shall instead be paid the amount credited to the Participant's SEDCP Deferral Account as of the end of the month in which his death occurred plus interest at a rate of 8% per annum, compounded annually, from the end of such month and credited annually on each anniversary of the end of such month payable in equal installments (using the Amortization Method) over the period described in the preceding sentence, if the Committee determines that the present value of such benefit is greater than the present value of the benefit described in the preceding sentence. In comparing the present value of these two alternative benefits, the Committee shall use in each case a discount factor of 8%.

(ii) Death after Attaining Age 55. Notwithstanding the foregoing, if a Participant's Separation from Service is due to death after attaining age 55, payment to his Beneficiary of his Class Year Subaccounts and Pre-2018 Subaccount (other than payment of his or her SEDCP Deferral Account (if any) and amounts in any Early Payment Year Subaccount attributable to an Early Payment Year beginning before the date of the Participant's death (if any)) shall be made in the same form or forms as payment of the Participant's Retirement Benefit would have been made to the Participant if he were living.

(iii) Beneficiary Distribution Elections. Notwithstanding the foregoing, a Participant who commenced participation in the Plan before January 1, 2017 could elect, on a Beneficiary Distribution Election Form filed simultaneously with and in the same manner as the first Deferral Election Form that the Participant was required to file in accordance with the requirements set forth in Section 4.1 hereof, that, if his Separation from Service is due to death prior to attaining age 55, payment to his Beneficiary of his Class Year Subaccounts and Pre-2018 Subaccount (other than payment of his or her SEDCP Deferral Account (if any) and amounts in any Early Payment Year Subaccount attributable to an Early Payment Year beginning before the date of the Participant's death (if any)) shall be made in any form and calculated in any other manner described in Section 5.1(c) (which may be different than the form of payment elected by the Participant for his Retirement Benefit). Such a Participant may change his election as to the form of payment to his Beneficiary subject to the following conditions: (A) the election shall not be effective until twelve (12) months after the election is filed with the Committee; (B) the election must be made at least twelve (12) months prior to the beginning of the calendar year in

which the lump sum payment or initial amount of the installment payment, as the case may be, would have been payable if no change as to the form of distribution were ever made; and (C) payment must be calculated using the Fractional Method. Each such change must satisfy all of the requirements of this Section 5.2(a)(iii).

Notwithstanding the foregoing, in the case of an Eligible Employee who commences or resumes participation in the Plan on or after January 1, 2017, the elections described above in this Section 5.2(a)(iii) shall not be available. In the event of such a Participant's Separation from Service due to death prior to attaining age 55, payment to his Beneficiary of his Class Year Subaccounts and Pre-2018 Subaccount instead shall be made as provided in Section 5.2(a)(i) above.

(iv) Death after Separation from Service. If a Participant dies after Separation from Service but before commencement or completion of his Class Year Subaccounts and Pre-2018 Subaccount under the Plan, payment to his Beneficiary shall be made in the same amount, at the same time and in the same form as payment would have been made to the Participant if he were living under this Plan. If installment payments to the Participant have already commenced, then the remaining installments (if any) shall be paid to his Beneficiary in the same amounts and at the same times as such remaining installments would have been paid to the Participant if he were living.

(v) Timing of Payments to Beneficiary. The payment or payments to a Beneficiary of a deceased Participant under this Section 5.2(a) (including payments with respect to the SEDCP Deferral Account) shall be made or commence during the period beginning on the date of the Participant's death and ending on December 31 of the first calendar year following the calendar year in which the Participant's death occurs. If payment is to be made in installments, the first installment only shall be made during the period specified in the preceding sentence, with any subsequent installments paid within the first 90 days of each subsequent calendar year. The amount of any such payment shall be equal to, or determined based on, the value of the Participant's Class Year Subaccounts and Pre-2018 Subaccount as of the end of the month preceding payment.

(b) Death of Beneficiary before Completion of Payments. Effective January 1, 2017, in the event that the Beneficiary of a deceased Participant dies prior to the completion of payments under this Plan to that Beneficiary, then the remaining benefit shall be paid in a lump sum to the person or persons designated by the Beneficiary in accordance with procedures established by the Committee or, if no such person has been designated, then to the Beneficiary's estate. Such lump sum payment shall be made during the period beginning on the date of the Beneficiary's death and ending on December 31 of the first calendar year following the calendar year in which the Beneficiary's death occurs.

(c) Prior Elections. Any election as to the form and manner of payment to a Beneficiary in effect under the terms of the DCP2 or the 2005 DCP immediately prior to the merger of the two plans on December 31, 2006, shall remain in effect with respect to the portions of the applicable Deferral Accounts attributable to amounts deferred under each plan and shall

continue in effect unless or until changed in accordance with the terms of this Plan. The Committee shall establish and maintain separate subaccounts for each Deferral Account as may be necessary to account for amounts subject to different beneficiary payout elections.

5.3 Spousal Survivor Benefits with Respect to SEDCP Deferral Accounts.

If a Participant who has an SEDCP Deferral Account dies after becoming eligible for Retirement or after commencement of payment of his Retirement Benefit and a spouse to whom he had been married to for at least one (1) year prior to his death survives beyond completion of payment of the Participant's SEDCP Deferral Account balance, the Company shall pay such spouse a lump sum payment in an amount equal to 10% of the Participant's SEDCP Deferral Account balance valued as of the earlier of the date of the Participant's Retirement or death. Such lump sum spousal survivor benefit shall be paid 120 days following the later of the completion of payment of the Participant's SEDCP Deferral Account balance or the Participant's death. No benefit shall be payable under this Section 5.3 if the Participant's spouse does not survive beyond completion of payment of the Participant's SEDCP Deferral Account balance. Notwithstanding the foregoing, no spousal survivor benefit shall be payable to the spouse of any Participant who received benefits pursuant to Section 5.1(c)(ii) (Termination Benefit) or Section 5.6 (Immediate Payment on Change in Control).

5.4 Early Payment.

Payment of the amounts credited to any Early Payment Year Subaccount of a Participant shall be paid or commence to be paid within the first 90 days of the year elected as the Early Payment Year in accordance with the Participant's election under Section 4.1(c), with any subsequent annual payments paid in the first 90 days of each applicable year. The amount of each annual installment will be determined under the Fractional Method unless the Participant otherwise irrevocably elects the Amortization Method at the time of making the Early Payment Benefit election. A Participant may not elect the Amortization Method for Early Payment Benefits earned on or after January 1, 2017. A Participant may not elect installment payments for Early Payment Benefits earned on or after January 1, 2018.

Effective January 1, 2018, a Participant may change his or her election as to the Early Payment Year for any Early Payment Year Subaccount subject to the following conditions: (a) the election shall not be effective until twelve (12) months after the election is filed with the Committee; (b) the election must defer the lump sum payment or initial amount of the installment payment for a period of at least five (5) years from the date that the lump sum payment or initial amount of the installment payment was otherwise payable; and (c) the election must be made at least twelve (12) months prior to the beginning of the calendar year in which the lump sum payment or initial amount of the installment payment would have been payable if no change as to the form of distribution were ever made. In addition, if a Participant makes an election pursuant to this provision, payment of the Early Payment Year Subaccount subject to such election must be made in a lump sum payment in the new Early Payment Year. There is no limit on the number of changes a Participant may make pursuant to this provision.

Notwithstanding the foregoing, if a Participant has a Separation from Service for any reason prior to the Early Payment Year elected by the Participant in accordance with Section 4.1(c) or the preceding paragraph, the election made by the Participant to receive the Early Payment Benefit shall terminate. In the case of an Early Payment Benefit Subaccount established for any Plan Year beginning on or after January 1, 2018, the amount credited to the Early Payment Year Subaccount shall be paid according to the Retirement election made at the same time as the Early Payment election, as set forth in Section 5.1(a) or Section 5.2(a), as applicable, unless the Participant has not yet reached age 55, in which case the Early Payment benefit will be paid in a single lump sum following the Participants' Separation from Service. In the case of Early Payment Benefits earned before January 1, 2018, the amount credited to the Participant's Early Payment Year Subaccount shall be paid, together with the other amounts credited to the Participant's Pre-2018 Subaccount, as set forth in Section 5.1 or 5.2, as the case may be. If the Participant has a Separation from Service for any reason after the start of the Early Payment Year but before the commencement or completion of the Early Payment Benefit, the benefit or remaining benefit attributable to the relevant Early Payment Year Subaccount shall be paid to the Participant (or his Beneficiary) in accordance with the Participant's Early Payment Benefit election without regard to the Participant's Separation from Service (i.e., once the Early Payment Year is reached, the Participant's subsequent Separation from Service for any reason shall not affect the payment of the relevant Early Payment Year Subaccount).

5.5 Emergency Benefit.

In the event that the Committee, upon written petition of the Participant, determines in its sole discretion that the Participant has suffered an Unforeseeable Emergency, the Company shall pay to the Participant, within 60 days following such determination, an Emergency Benefit that does not exceed the amount reasonably necessary to satisfy such Unforeseeable Emergency plus amounts necessary to pay taxes reasonably anticipated as a result of the distribution, after taking into account the extent to which such hardship is or may be relieved through reimbursement or compensation by insurance or otherwise or by liquidation of the Participant's assets to the extent the liquidation of such assets would not itself cause severe financial hardship and the additional compensation available to the Participant upon the termination of the Participant's current deferral elections under the Plan, as described in the following paragraph of this Section 5.5. Such Emergency Benefit shall be taken pro rata from each of the Participant's Deferral Accounts, including the Participant's DCP Deferral Account, SEDCP Deferral Account and Savings Plan Restoration Account, as applicable, and pro rata from any subaccounts, such as an Early Payment Year Subaccount, within any such Deferral Account.

Whenever a Participant receives a distribution under this Section 5.5, the Participant will be deemed to have revoked all current deferral elections under the Plan effective as of the date of the distribution. The Participant will not be permitted to participate in the next enrollment period under the Plan and will be precluded from electing to make new deferrals under the Plan for a minimum period of one (1) year (or such lesser period as the Committee may permit) following receipt of the distribution. Such new election shall comply with the provisions of Section 4.1(a).

5.6 Effect of Change in Control.

In the event of a Change in Control, the Board may, in its sole discretion, within the 30 days preceding such Change in Control, irrevocably take action to terminate and liquidate the Plan, provided that the requirements of Treas. Reg. § 1.409A-3(j)(4)(ix)(B) (or any successor provision) are satisfied.

5.7 Small Benefit.

Notwithstanding any election by a Participant to receive payment of a Class Year Subaccount or Pre-2018 Subaccount maintained for the Participant under the Plan in an installment payment form, if the aggregate value of all of the Participant's Class Year Subaccounts and Pre-2018 Subaccounts with the same scheduled commencement date and same installment form is less than \$50,000 on the scheduled commencement date, then all such subaccounts shall be paid to the Participant in a single lump sum on the scheduled commencement date. This provision shall not apply to any Early Payment Year Subaccount that is being paid pursuant to an Early Payment Benefit election to the extent permissible under Code Code Section 409A.

5.8 Tax Withholding and Reporting.

(a) To the extent required by the law in effect at the time payments are made, the Company shall withhold from payments made hereunder the taxes required to be withheld by Federal, state and local law.

(b) The Company shall have the right at its option to (i) require a Participant to pay or provide for payment of the amount of any taxes that the Company may be required to withhold with respect to interest or other amounts that the Company credits to a Participant's Deferral Accounts or (ii) deduct from any amount of salary, bonus or other payment otherwise payable in cash to the Participant the amount of any taxes that the Company may be required to withhold with respect to interest or other amounts that the Company credits to a Participant's Deferral Accounts. In addition, as permitted by Treas. Reg. § 1.409A-3(j)(4)(vi) (or any successor provision), payments may be made under the Plan to pay any Federal Insurance Contributions Act (FICA) tax imposed under Code Sections 3101 and 3121(v)(2) on the Participant's Deferral Accounts, and to pay any income tax imposed under Code Section 3401 (i.e., wage withholding) or the corresponding withholding provisions of applicable state or local law as a result of payment of the FICA amount, as well as to pay the additional income tax attributable to the pyramiding wages and taxes. The total payment may not exceed the aggregate FICA tax amount and the income tax withholding related to such FICA tax amount.

5.9 Reemployment.

(a) If, after a Participant's Separation from Service, such Participant is reemployed by the Company prior to the scheduled payment of any benefits in a cash lump sum payment or while he is receiving benefits in the form of annual installment payments, the payment of the

lump sum amount or the future installments, as the case may be, shall be made as scheduled without regard to the Participant's reemployment.

(b) A reemployed Participant may elect to again participate in this Plan and to defer additional Base Salary and/or Bonus as provided in Section 4.1, in which case a new Deferral Account shall be established for such Participant to which allocations relating to the period following the Participant's re-employment shall be credited. A Participant who was reemployed before January 1, 2018 was permitted to file a new Distribution Election Form with respect to his Pre-2018 Subaccount, simultaneously with and in the same manner as the first Deferral Election Form filed by the Participant upon his reemployment, governing the payment of his new Retirement Benefit in accordance with Section 5.1(c) and payment to his Beneficiary in accordance with Section 5.2(a)(iii) (provided that payment of any amounts previously forfeited pursuant to Section 4.6 and restored upon the Participant's reemployment shall be made in the form applicable at the time of his prior termination in accordance with the rules set forth herein). A Participant shall be permitted to file a separate Distribution Election Form for each Class Year Subaccount established following the Participant's reemployment as provided in Section 4.1.

5.10 Qualified Divorce Orders.

Subject to the policies and procedures established by the Committee under Section 9.3(b) hereof and the provisions of this Plan, benefits may be paid from the balance of a Participant's Deferral Account(s) in accordance with a Qualified Divorce Order.

5.11 Special 2006 Transition Rule Elections.

(a) Notwithstanding anything herein to the contrary, pursuant to the transition rules under Code Section 409A and the regulations and guidance thereunder, each Participant who has not separated from service as of October 12, 2006 may make a new payment election (a "Special Transition Rule Election") with respect to (i) the balance of his Deferral Accounts as of December 31, 2006 together with interest credited thereto prior to distribution (his "December 31 Balance") and/or (ii) any deferred 2006 bonus (i.e., that portion of any bonus earned in 2006 and payable in 2007 that the Participant elected to defer under this Plan) plus interest credited thereto prior to distribution (his "2006 Deferred Bonus"). As part of such election, the Participant may elect to receive his Retirement Benefit in any form described in Section 5.1 and calculated under either the Amortization Method or the Fractional Method. In addition, the Participant may elect up to two Early Payment Years with installment payments (if any) calculated under the Amortization Method or the Fractional Method. Notwithstanding the provisions of Section 4.1 or Section 5.4 to the contrary, a Participant may elect any Early Payment Year other than 2006 regardless of the year in which the Compensation was deferred, except that (i) the earliest Early Payment Year that a Participant may elect with respect to his 2006 Deferred Bonus is 2008, and (ii) if a Participant elects 2007 as an Early Payment Year with respect to his December 31 Balance, payment will be made in July of 2007. A Participant may elect that all, any portion or no portion of his December 31 Balance and/or all, any portion or no portion of his 2006 Deferred Bonus be paid in an Early Payment Year, but (i) the Participant may not select more than two Early Payment Years under this Special Transition Rule Election and may not elect any additional Early Payment Years under Section 4.1 if such election would result in more than two

scheduled Early Payment Years and (ii) the Participant may not make different elections with respect to the form or manner of calculation of his Retirement Benefit with respect to his December 31 Balance and his 2006 Deferred Bonus.

(b) Notwithstanding anything herein to the contrary, if a Participant has separated from service due to Retirement as of October 12, 2006, he may make a new payment election with respect to his December 31 Balance. As part of such election, the Participant may elect (i) to receive a lump sum distribution of his entire Deferral Account balance in July of 2007 or (ii) to change the number of Retirement Benefit installment payments as permitted under Section 5.1, provided that the Participant may not extend the number of installments to more than twenty annual installments (including installment payments that have already been made).

(c) If a Participant elects 2007 as an Early Payment Year for his December 31 Balance, he may not elect to defer any Compensation earned in 2007 under this Plan.

(d) In addition, as part of the special election hereunder, a Participant may change the form and manner of calculation of the payment of benefits to his Beneficiary in the event that the Participant dies while employed by the Company after becoming eligible for Retirement.

(e) A Participant must elect the same form and manner of calculating his Retirement Benefit under (a) or (b) above and the same form and manner of calculating his Beneficiary Benefit under (d) above as he elects for such benefits under the 2005 DCP and the DCP2.

(f) Any election hereunder must be made by November 3, 2006, or such later date as permitted by the Committee, but in no event later than December 31, 2006.

(g) A Participant's election hereunder shall supersede any previous election made or deemed to be made under this Plan, the 2005 DCP, or the DCP2. If a Participant does not timely make an election hereunder, the elections he otherwise made or makes or was deemed to make shall apply and may be changed only in accordance with the other terms of this Plan and any Compensation deferred on or after January 1, 2007, shall be subject to the Participant's election under the 2005 DCP (or, the DCP2 if the Participant was a participant in the DCP2 but not the 2005 DCP) or as subsequently amended in accordance with the other terms of this Plan. However, any distribution election that had not become effective by October 12, 2006, shall be null and void.

5.12 Plan Provisions Control.

(a) Payment Commencement Prior to November 1, 2008. Notwithstanding anything herein to the contrary, if installment payments to a Participant or Beneficiary have commenced prior to November 1, 2008 in accordance with the prior provisions of the Plan, the Participant's remaining account shall be paid over the remaining number of installments in accordance with the rules set forth herein (i.e., within the first 90 days of 2009 and each subsequent calendar year, except as otherwise provided herein).

(b) Distribution Elections Made Prior to November 1, 2008. Notwithstanding anything herein to the contrary, if a Participant has made a distribution election, including a beneficiary distribution election, prior to November 1, 2008, and such election remains in effect on and after that date, including without limitation under Section 4.8 or Section 5.2(g),

distributions to such Participant (or his Beneficiary) shall commence and be made in accordance with the rules set forth herein, with such distribution election used only to determine the applicable form of payment (i.e., whether distribution shall be made in a lump sum or installments and, if installments, the number of such installments and the method used for calculating such installments).

ARTICLE VI BENEFICIARY DESIGNATION

Each Participant shall have the right, at any time, to designate any person or persons as the Beneficiary to whom payments under this Plan shall be made in the event of the Participant's death prior to complete distribution to the Participant of the benefits due under the Plan. Each Beneficiary designation shall become effective only when filed in writing with the Committee during the Participant's lifetime on a paper form prescribed by the Committee. Any Beneficiary designation made by a Participant under the DCP2 and/or the 2005 DCP shall continue to apply under this Plan until the Participant files a new Beneficiary designation form with the Committee. Notwithstanding the preceding sentence, if a Participant had selected different Beneficiaries under the DCP2 and the 2005 DCP, the following rules shall apply:

(a) If the Participant does not make a new election under Section 5.11, the Beneficiary designation under the DCP2 shall apply to the subaccount for the DCP2 under this Plan and the Beneficiary designation under the 2005 DCP shall apply to the subaccount for the 2005 DCP under this Plan unless or until the Participant files a new Beneficiary designation form with the Committee.

(b) If the Participant does make a new election under Section 5.11, the Participant will be treated as having no Beneficiary designation on file until the Participant files a new Beneficiary designation with the Committee.

The filing of a new Beneficiary designation form will cancel any inconsistent Beneficiary designation previously filed.

If a Participant fails to designate a Beneficiary as provided above, or if all designated Beneficiaries predecease the Participant, any benefits remaining unpaid shall be paid in accordance with the Participant's Beneficiary designation under the Company's Retirement Plan, and if there is no such valid Beneficiary designation, to the Participant's then surviving spouse, or if none, to the Participant's estate, unless directed otherwise by the court that has jurisdiction over the assets belonging to the Participant's probate estate.

ARTICLE VII CLAIMS PROCEDURE

7.1 Applications for Benefits.

All applications for benefits under the Plan shall be submitted to Occidental Petroleum Corporation, Attention: Deferred Compensation Committee, 5 Greenway Plaza, Suite 110, Houston, TX 77046-0521. Applications for benefits must be in writing on the forms prescribed

by the Committee and must be signed by the Participant, or in the case of a Beneficiary Benefit, by the Beneficiary or legal representative of the deceased Participant.

7.2 Claims Procedure.

(a) Within a reasonable period of time, but not later than 90 days after receipt of a claim for benefits, the Committee or its delegate shall notify the claimant of any adverse benefit determination on the claim, unless special circumstances require an extension of time for processing the claim. In no event may the extension period exceed 90 days from the end of the initial 90-day period. If an extension is necessary, the Committee or its delegate shall provide the claimant with a written notice to this effect prior to the expiration of the initial 90-day period. The notice shall describe the special circumstances requiring the extension and the date by which the Committee or its delegate expects to render a determination on the claim.

(b) In the case of an adverse benefit determination, the Committee or its delegate shall provide to the claimant written or electronic notification setting forth in a manner calculated to be understood by the claimant (i) the specific reason or reasons for the adverse benefit determination; (ii) reference to the specific Plan provisions on which the adverse benefit determination is based; (iii) a description of any additional material or information necessary for the claimant to perfect the claim and an explanation of why the material or information is necessary; and (iv) a description of the Plan's claim review procedures and the time limits applicable to such procedures, including a statement of the claimant's right to bring a civil action under Section 502(a) of ERISA following an adverse final benefit determination on review and in accordance with Section 7.4.

(c) Within 60 days after receipt by the claimant of notification of the adverse benefit determination, the claimant or his duly authorized representative, upon written application to the Committee, may request that the Committee fully and fairly review the adverse benefit determination. On review of an adverse benefit determination, upon request and free of charge, the claimant shall have reasonable access to, and copies of, all documents, records and other information relevant to the claimant's claim for benefits. The claimant shall have the opportunity to submit written comments, documents, records, and other information relating to the claim for benefits. The Committee's (or delegate's) review shall take into account all comments, documents, records, and other information submitted regardless of whether the information was previously considered in the initial adverse benefit determination.

(d) Within a reasonable period of time, but not later than 60 days after receipt of such request for review, the Committee or its delegate shall notify the claimant of any final benefit determination on the claim, unless special circumstances require an extension of time for processing the claim. In no event may the extension period exceed 60 days from the end of the initial 60-day period. If an extension is necessary, the Committee or its delegate shall provide the claimant with a written notice to this effect prior to the expiration of the initial 60-day period. The notice shall describe the special circumstances requiring the extension and the date by which the Committee or its delegate expects to render a final determination on the request for review. In the case of an adverse final benefit determination, the Committee or its delegate shall provide to the claimant written or electronic notification setting forth in a manner calculated to be understood by the claimant (i) the specific reason or reasons for the adverse final benefit

determination; (ii) reference to the specific Plan provisions on which the adverse final benefit determination is based; (iii) a statement that the claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records and other information relevant to the claimant's claim for benefits; and (iv) a statement of the claimant's right to bring a civil action under Section 502(a) of ERISA following an adverse final benefit determination on review and in accordance with Section 7.4.

7.3 Section 409A Compliance.

Any claim for benefits under this Article must be made by the claimant no later than the time prescribed by Treas. Reg. § 1.409A-3(g) (or any successor provision). If a claimant's claim or appeal is approved, any resulting payment of benefits will be made no later than the time prescribed for payment of benefits by Treas. Reg. § 1.409A-3(g) (or any successor provision).

7.4 Limitations on Actions.

No legal action may be commenced prior to the completion of the benefit claims procedure described herein. In addition, no legal action may be commenced after the later of (a) 180 days after receiving the written response of the Committee to an appeal, or (b) 365 days after an applicant's original application for benefits.

ARTICLE VIII AMENDMENT AND TERMINATION OF PLAN

8.1 Amendment.

The Board may amend the Plan in whole or in part at any time for any reason, including but not limited to, tax, accounting or other changes, which may result in termination of the Plan for future deferrals. The Executive Compensation and Human Resources Committee of the Board may amend the Plan to (a) ensure that this Plan complies with the requirements of Code Section 409A for deferral of taxation on compensation deferred hereunder until the time of distribution and (b) add provisions for changes to deferral elections and elections as to time and manner of distributions and other changes that comply with the requirements of Code Section 409A for the deferral of taxation on deferred compensation until the time of distribution. The Committee appointed pursuant to Article III, in its discretion, may amend the Plan if the Committee determines that such amendment does not significantly increase or decrease Plan benefits or costs. Notwithstanding the foregoing, except for any amendment required to preserve the deferral of taxation of amounts deferred under this Plan, no amendment shall (a) reduce the amounts that have been credited to the Deferral Account(s) of any Participant prior to the date such amendment is adopted or (b) eliminate the spousal survivor benefit under Section 5.3. Any amendment that would change the terms of the amendment provisions of this Section 8.1 or the terms of the termination provisions of Section 8.2, shall not be effective prior to the date that is two years after the date such amendment is adopted, unless the amendment is required by a change in the tax or other applicable laws or accounting rules, or the amendment is required in order to preclude any amounts deferred under this Plan from being included in the income of Participants prior to a date of distribution as specified under this Plan. Notwithstanding the

foregoing, following a Change in Control, no amendment shall (a) reduce the amounts that have been credited to the Deferral Account(s) of any Participant prior to the date such amendment is adopted; (b) eliminate the spousal survivor benefits under Section 5.3; or (c) change the terms of the amendment provisions of this Section 8.1 or the terms of the termination provisions of Section 8.2.

8.2 Termination.

(a) **Company's Right to Terminate.** The Board may terminate the Plan at any time, if in the Board's judgment, the continuance of the Plan would not be in the Company's best interest due to tax, accounting or other effects thereof, or potential payouts thereunder, or other reasons, provided that any termination of the Plan shall not be effective prior to the date that is two years after the date the Board adopts a resolution to terminate the Plan, unless (i) the termination of the Plan is required by a change in the tax or other applicable laws or accounting rules, or (ii) the Participants have become subject to tax on the amounts deferred under the Plan. Notwithstanding the foregoing, following a Change in Control, the Plan may not be terminated prior to the date that is three years after the date the Change in Control occurs, or, if earlier, the date on which amounts deferred under the Plan have become taxable to Participants. In the event the Board adopts a resolution terminating the Plan, the Board or the Committee shall determine the date as of which deferral elections shall cease to have effect in accordance with the requirements of Code Section 409A.

(b) **Payments Upon Termination.** Distributions to the Participants or their Beneficiaries shall be made on the dates on which the Participants or their Beneficiaries would receive benefits hereunder without regard to the termination of the Plan, except that payments may, in the discretion of the Board, be accelerated if:

(i) The Plan is terminated and liquidated pursuant to Section 5.6 of the Plan;

(ii) Accelerated payment is otherwise permitted by Treas. Reg. § 1.409A-3(j)(4)(ix) (or any successor provision) or other guidance issued by the Secretary of the Treasury, or

(iii) The Plan is terminated because Participants have become subject to tax on their deferrals due to the Plan's failure to satisfy the requirements of Code Section 409A. Payment to a Participant may not exceed the amount required to be included in income as a result of such failure.

ARTICLE IX MISCELLANEOUS

9.1 Unsecured General Creditor.

The rights of a Participant, Beneficiary, or their heirs, successors, and assigns, as relates to any Company promises hereunder, shall not be secured by any specific assets of the Company, nor shall any assets of the Company be designated as attributable or allocated to the satisfaction of such promises.

9.2 Trust Fund.

The Company shall be responsible for the payment of all benefits provided under the Plan. At its discretion, the Company may establish one or more trusts, with such trustees as the Board or Committee may approve, for the purpose of providing for the payment of such benefits. Such trust or trusts may be irrevocable, but the assets thereof shall be subject to the claims of the Company's creditors. To the extent any benefits provided under the Plan are actually paid from any such trust, the Company shall have no further obligation with respect thereto, but to the extent not so paid, such benefits shall remain the obligation of, and shall be paid by, the Company. No assets shall be transferred to a trust if such transfer would result in the taxation of benefits prior to distribution under Code Section 409A(b).

9.3 Non-assignability.

(a) Neither a Participant nor any other person shall have any right to commute, sell, assign, transfer, pledge, anticipate, mortgage or otherwise encumber, hypothecate or convey in advance of actual receipt the amounts, if any, payable hereunder, or any part thereof, or interest therein which are, and all rights to which are, expressly declared to be unassignable and non-transferable. No part of the amounts payable shall, prior to actual payment, be subject to seizure or sequestration for the payment of any debts, judgments, alimony or separate maintenance owed by a Participant or any other person, nor be transferable by operation of law in the event of a Participant's or any other person's bankruptcy or insolvency.

(b) Notwithstanding subsection (a), the right to benefits payable with respect to a Participant pursuant to a Qualified Divorce Order may be created, assigned, or recognized. The Committee shall establish appropriate policies and procedures to determine whether a Divorce Order presented to the Committee constitutes a Qualified Divorce Order under this Plan, and to administer distributions pursuant to the terms of Qualified Divorce Orders. In the event that a Qualified Divorce Order exists with respect to benefits payable under the Plan, such benefits otherwise payable to the Participant specified in the Qualified Divorce Order shall be payable to the Alternate Payee specified in such Qualified Divorce Order.

9.4 Release from Liability to Participant.

A Participant's right to receive benefits under the Plan shall be reduced to the extent that any portion of a Participant's Deferral Account(s) has been paid or set aside for payment to an Alternate Payee pursuant to a Qualified Divorce Order. The Participant shall be deemed to have released the Company and the Plan from any claim with respect to such amounts in any case in which (a) the Company, the Plan, or any Plan representative has been served with legal process or otherwise joined in a proceeding relating to such amounts, and (b) the Participant fails to obtain an order of the court in the proceeding relieving the Company and the Plan from the obligation to comply with the judgment, decree or order.

9.5 Employment Not Guaranteed.

Nothing contained in this Plan nor any action taken hereunder shall be construed as a contract of employment or as giving any Participant any right to be retained in employment with

the Company. Accordingly, subject to the terms of any written employment agreement to the contrary, the Company shall have the right to terminate or change the terms of employment of a Participant at any time and for any reason whatsoever, with or without cause.

9.6 Gender, Singular & Plural.

All pronouns and any variations thereof shall be deemed to refer to the masculine or feminine as the identity of the person or persons may require. As the context may require, the singular may be read as the plural and the plural as the singular.

9.7 Captions.

The captions of the articles, sections, and paragraphs of the Plan are for convenience only and shall not control or affect the meaning or construction of any of its provisions.

9.8 Validity.

In the event any provision of this Plan is held invalid, void, or unenforceable, the same shall not affect, in any respect whatsoever, the validity of any other provision of this Plan.

9.9 Notice.

Any notice or filing required or permitted to be given to the Committee under the Plan shall be sufficient if in writing and hand delivered, or sent by registered or certified mail, to the principal office of the Company. Such notice shall be deemed given as to the date of delivery or, if delivery is made by mail, as of the date shown on the postmark on the receipt for registration or certification.

9.10 Applicable Law.

The Plan shall be governed by and construed in accordance with Code Section 409A, and any regulations promulgated thereunder. To the extent that the Plan covers individuals who first became Participants prior to January 1, 2017 (including their Beneficiaries and others claiming benefits through such Participants), it shall be governed in accordance with the laws of the State of California to the extent such laws are not preempted by ERISA. To the extent that the Plan covers individuals who first become Participants on or after January 1, 2017 (including their Beneficiaries and others claiming benefits through such Participants), it shall be governed in accordance with the laws of the State of Texas to the extent such laws are not preempted by ERISA.

IN WITNESS WHEREOF, Occidental Petroleum Corporation has caused its duly authorized officer to execute this document this 29th day of December 2020.

OCCIDENTAL PETROLEUM CORPORATION

By /s/ Darin Moss

FORM OF
INDEMNIFICATION AGREEMENT

This Indemnification Agreement (this “Agreement”) is made and entered into as of , between (“Indemnitee”) and Occidental Petroleum Corporation, a Delaware corporation (the “Company”). This Agreement supersedes and replaces any and all previous agreements between the Company and Indemnitee covering the subject matter of this Agreement.

WHEREAS, it is essential to the Company that it retain and attract as directors and officers the most capable persons available;

WHEREAS, Indemnitee is [a director][an officer] of the Company;

WHEREAS, both the Company and Indemnitee recognize the increased risk of litigation and other claims being asserted against directors and officers of public companies in today’s environment;

WHEREAS, in recognition of Indemnitee’s need for substantial protection against personal liability in order to enhance Indemnitee’s [continued] service to the Company in an effective manner, and in part to provide Indemnitee with specific contractual assurance that the indemnification protection provided by the By-Laws of the Company will be available to Indemnitee (regardless of, among other things, any amendment to or revocation of such By-Laws or any change in the composition of the Company’s Board of Directors or any acquisition transaction relating to the Company), and in order to induce Indemnitee to [continue to] provide services to the Company as a director or officer thereof, the Company wishes to provide in this Agreement for the indemnification of and the advancing of expenses to Indemnitee to the fullest extent (whether partial or complete) permitted by law and as set forth in this Agreement, and, to the extent insurance is maintained, for the [continued] coverage of Indemnitee under the Company’s directors’ and officers’ liability insurance policies (the “D&O Insurance”);

NOW, THEREFORE, in consideration of the premises and of Indemnitee’s [continued] service to the Company directly or, at its request, with another enterprise, and intending to be legally bound hereby, the parties hereto agree as follows:

1. *Certain Definitions.*

(a) *Change in Control:* shall be deemed to have occurred if (i) any “person” (as such term is used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended), other than a trustee or other fiduciary holding securities under an employee benefit plan of the Company or a corporation owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of stock of the Company, is or becomes the “beneficial owner” (as defined in Rule 13d-3 under said Act), directly or indirectly, of securities of the Company representing 25% or more of the total voting power represented by the Company’s then outstanding Voting Securities; (ii) during any period of two consecutive years, not including any period prior to the execution of this Agreement, individuals who at the beginning of such period constituted the Board of Directors of the Company and any new directors whose election by the Board of Directors or nomination for election by the Company’s stockholders was approved by a vote of at least two-

thirds (2/3) of the directors then still in office who either were directors at the beginning of the period or whose election or nomination for election was previously so approved, cease for any reason to constitute a majority thereof; (iii) the stockholders of the Company approve a merger or consolidation of the Company with any other corporation, other than (a) a merger or consolidation of the Company into or with a direct or indirect wholly-owned subsidiary or (b) a merger or consolidation which would result in the Voting Securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into Voting Securities of the surviving entity) at least 80% of the total voting power represented by the Voting Securities of the Company or such surviving entity outstanding immediately after such merger or consolidation; or (iv) the stockholders of the Company approve a plan of complete liquidation of the Company or an agreement for the sale or disposition by the Company (in one transaction or a series of transactions) of all or substantially all the Company's assets, whether directly or indirectly.

(b) *Claim*: any threatened, pending (including any appeal relating to) or completed action, suit, proceeding or alternate dispute resolution mechanism or any inquiry, hearing or investigation, whether made or brought by or in the right of the Company or by any other party, that Indemnitee in good faith believes might lead to the institution of any such action, suit or proceeding or alternate dispute resolution mechanism, whether civil, criminal, administrative, investigative or other.

(c) *Expenses*: any and all expenses, including attorneys' fees and all other costs, travel expenses, fees of experts, transcript costs, filing fees, witness fees, telephone charges, postage, delivery service fees, expenses and obligations of any nature, including, in connection with any appeal, the premium, security for and other costs relating to any cost bond, supersedeas bond or other appeal bond or its equivalent, whatsoever paid or incurred by or on behalf of Indemnitee in connection with investigating, defending, being a witness in or participating in (including on appeal), or preparing to defend, be a witness in or participate in, any Claim relating to any Indemnifiable Event.

(d) *Indemnifiable Event*: any event or occurrence related to the fact that Indemnitee is or was a director, officer, employee, agent or fiduciary of the Company, or is or was serving at the request of the Company as a director, officer, employee, agent or fiduciary of another corporation, partnership, joint venture, employee benefit plan, trust or other enterprise, or related to anything done or not done by Indemnitee in any such capacity.

(e) *Potential Change in Control*: shall be deemed to have occurred if (i) the Company enters into an agreement or arrangement, the consummation of which would result in the occurrence of a Change in Control; (ii) any person, other than a trustee or other fiduciary holding securities under an employee benefit plan of the Company or a corporation owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of stock of the Company, who is on the date hereof, or hereafter becomes, the beneficial owner, directly or indirectly, of securities of the Company representing 15 % or more of the total voting power represented by the Company's then outstanding Voting Securities, hereafter or thereafter increases its beneficial ownership of such securities by 0.5 % or more over the percentage so owned by such person on the date hereof or on the date of becoming such a beneficial owner; (iii) any person (including the Company) publicly announces an intention to take or to consider taking actions which if consummated would constitute a Change in Control; or (iv) the Board adopts a

resolution to the effect that, for purposes of this Agreement, a Potential Change in Control has occurred.

(f) *Reviewing Party*: any appropriate person or body consisting of a member or members of the Company's Board of Directors or any other person or body appointed by the Board who is not a party to the particular Claim for which Indemnitee is seeking indemnification, or Independent Legal Counsel.

(g) *Independent Legal Counsel*: shall refer to an attorney experienced in the matters of corporate law, selected in accordance with the provisions of Section 3 hereof, who shall not have otherwise performed services for (i) the Company or Indemnitee within the last five years (other than in connection with seeking indemnification under this Agreement) or (ii) any other party to the Claim giving rise to a claim for indemnification hereunder. Independent Legal Counsel shall not be any person who, under the applicable standards of professional conduct then prevailing, would have a conflict of interest in representing either the Company or Indemnitee in an action to determine Indemnitee's rights under this Agreement, nor shall Independent Legal Counsel be any person who has been sanctioned or censured for ethical violations of applicable standards of professional conduct.

(h) *Voting Securities*: any securities of the Company which vote generally in the election of directors.

2. *Basic Indemnification Arrangement.*

(a) In the event Indemnitee was, is or becomes a party to or witness or other participant in, or is threatened to be made a party to or witness or other participant in, a Claim by reason of (or arising in part out of) an Indemnifiable Event, the Company shall indemnify Indemnitee to the fullest extent permitted by law, as the same exists or may hereafter be amended (but, in the case of any such amendment and unless applicable law otherwise requires, only to the extent that such amendment permits the Company to provide broader indemnification rights than such law permitted the Company to provide prior to such amendment), as soon as practicable but in any event no later than thirty days after written demand, including therein or therewith such documentation and information as is reasonably available to Indemnitee and is reasonably necessary to determine whether and to what extent Indemnitee is entitled to indemnification (provided that documentation and information need not be so provided to the extent that the provision thereof would undermine or otherwise jeopardize attorney-client privilege), is presented to the Company, against any and all Expenses, liabilities, damages, losses, judgments, fines, penalties and amounts paid in settlement (including all interest, assessments and other charges paid or payable in connection with or in respect of such Expenses, liabilities, damages, losses, judgments, fines, penalties or amounts paid in settlement) incurred or paid by or on behalf of, or imposed against, Indemnitee in connection with such Claim and any federal, state, local or foreign taxes (net of the value to Indemnitee of any tax benefits resulting from tax deductions or otherwise) imposed on Indemnitee as a result of the actual or deemed receipt of any payments under this Agreement (including the creation of the trust referred to in Section 4 hereof). If so requested by Indemnitee (which request shall include therein or therewith such documentation and information as is reasonably available to Indemnitee and is reasonably necessary to determine whether and to what extent Indemnitee is entitled to indemnification (provided that documentation and information need not be so provided to the extent that the provision thereof would undermine or otherwise jeopardize attorney-client privilege)), the Company

shall advance (within five business days of such request) any and all Expenses to Indemnitee (an "Expense Advance"). Notwithstanding anything in this Agreement or in the By-Laws of the Company to the contrary and except as provided in Section 5, prior to a Change in Control, Indemnitee shall not be entitled to indemnification pursuant to this Agreement in connection with any Claim initiated by Indemnitee against the Company or any director or officer of the Company unless the Company has joined in or consented to the initiation of such Claim.

(b) Notwithstanding the foregoing, (i) the obligation of the Company to indemnify Indemnitee under Section 2(a) shall be subject to the condition that the Reviewing Party shall, if required under applicable law, have determined (in a written opinion, in any case in which the Independent Legal Counsel referred to in Section 3 hereof is involved) that Indemnitee would be permitted to be indemnified under applicable law and (ii) the obligation of the Company to make an Expense Advance pursuant to Section 2(a) shall be subject to the condition that, if, when and to the extent that the Reviewing Party determines (in a written opinion, in any case in which the Independent Legal Counsel referred to in Section 3 hereof is involved) that Indemnitee would not be permitted to be so indemnified under applicable law, the Company shall be entitled to be reimbursed by Indemnitee (who hereby agrees to reimburse the Company) for all such amounts theretofore paid; provided, however, that (A) any determination referenced in clauses (i) and (ii) above as to whether Indemnitee would be permitted to be indemnified under applicable law (1) shall not be made until after the final disposition of the applicable Claim and (2) shall be made within 90 days of the final disposition of the Claim (in the case of clause (ii) above, if at all) and (B) if Indemnitee has commenced legal proceedings in a court of competent jurisdiction to secure a determination that Indemnitee should be indemnified under applicable law, any determination made by the Reviewing Party that Indemnitee would not be permitted to be indemnified under applicable law shall not be binding and Indemnitee shall not be required to reimburse the Company for any Expense Advance (and the Company shall continue to be obligated to make Expense Advances) until a final judicial determination is made with respect thereto (as to which all rights of appeal therefrom have been exhausted or lapsed). Indemnitee's obligation to reimburse the Company for Expense Advances shall be unsecured and no interest shall be charged thereon. If there has not been a Change in Control, the Reviewing Party shall be selected by the Board of Directors, and if there has been a Change in Control (other than a Change in Control which has been approved by a majority of the Company's Board of Directors who were directors immediately prior to such Change in Control), the Reviewing Party shall be the Independent Legal Counsel referred to in Section 3 hereof. If the Reviewing Party determines that Indemnitee substantively would not be permitted to be indemnified in whole or in part under applicable law, or with respect to the Company's obligation to indemnify Indemnitee under Section 2(a), if a determination as to whether Indemnitee would be permitted to be indemnified under applicable law is required under applicable law and such determination is not made by the Reviewing Party within 90 days of the final disposition of the Claim, Indemnitee shall have the right to commence litigation in any court in the State of Delaware having subject matter jurisdiction thereof and in which venue is proper seeking an initial determination by the court or challenging any such determination by the Reviewing Party or any aspect thereof, or the legal or factual bases therefor and the Company hereby consents to service of process and to appear in any such proceeding. Any determination by the Reviewing Party otherwise shall be conclusive and binding on the Company and Indemnitee. Notwithstanding any other provision in this Agreement, no indemnity or Expense Advance pursuant to Section 2(a) shall be paid by the Company if a court of competent jurisdiction renders a final judicial determination (as to which all rights of appeal therefrom have been exhausted or lapsed) on the merits that such indemnity or Expense Advance is prohibited by law or that Indemnitee is liable to the Company with respect to any Claim made by or

in the right of the Company, unless the court determines that, despite the adjudication of liability, but in the view of all the circumstances of the case, Indemnitee is fairly and reasonably entitled to such indemnity or Expense Advance that the court deems proper.

(c) If the full indemnity provided in Section 2(a) may not be paid to Indemnitee because of any exclusion resulting from Section 2(b), then in respect of any Claim relating to an Indemnifiable Event in which the Company is jointly liable with Indemnitee (or would be if joined in such Claim), the Company shall contribute to the amount of Expenses, liabilities, damages, losses, judgments, fines, penalties and amounts paid in settlement incurred by Indemnitee in such proportion as is appropriate to reflect (i) the relative benefits received by the Company on the one hand and Indemnitee on the other hand from the acts or omissions from which such Claim arose and (ii) the relative fault of the Company, including its other directors, officers, agents, employees and other representatives, on the one hand and of Indemnitee on the other hand in connection with the acts or omissions which resulted in such Claim, as well as other relevant equitable considerations. The relative fault of the Company, including its other directors, officers, agents, employees and other representatives, on the one hand and of Indemnitee on the other hand shall be determined by reference to, among other things, the parties' relative intent, knowledge, access to information and opportunity to correct or prevent the circumstances resulting in such Claim. The Company agrees that it would not be just and equitable if contribution pursuant to this Section 2(c) were determined by pro rata allocation or any other method of allocation which does not take into account the foregoing equitable considerations.

3. *Change in Control.* The Company agrees that if there is a Change in Control of the Company (other than a Change in Control which has been approved by a majority of the Company's Board of Directors who were directors immediately prior to such Change in Control) then Independent Legal Counsel shall be selected by Indemnitee and approved by the Company (which approval shall not be unreasonably withheld), and such Independent Legal Counsel shall, when required pursuant to Section 2(b) hereof, determine whether Indemnitee is entitled to indemnity payments and Expense Advances under this Agreement or any other agreement or under the Certificate of Incorporation or By-Laws of the Company now or hereafter in effect relating to Claims for Indemnifiable Events. Such Independent Legal Counsel, among other things, shall render its written opinion to the Company and Indemnitee as to whether and to what extent Indemnitee will be permitted to be indemnified. The Company agrees to pay the reasonable fees of the Independent Legal Counsel and to indemnify fully such Independent Legal Counsel against any and all expenses (including attorneys' fees), claims, liabilities and damages arising out of or relating to this Agreement and the engagement of Independent Legal Counsel pursuant hereto.

4. *Establishment of Trust.* In the event of a Potential Change in Control, the Company shall, upon written request by Indemnitee, create a trust for the benefit of Indemnitee and from time to time upon written request of Indemnitee shall fund such trust in an amount (the "Trust Fund Amount") which is the total of all sums sufficient to satisfy any and all Expenses reasonably anticipated at the time of each such request to be incurred in connection with investigating, preparing for and defending any Claim relating to an Indemnifiable Event, plus any and all liabilities, damages, losses, judgments, fines, penalties and settlement amounts of any and all Claims relating to an Indemnifiable Event from time to time actually paid or claimed, reasonably anticipated or proposed to be paid, as determined by (1) if no Change in Control shall have occurred, the Company's Board of Directors or (2) if a Change in Control shall have occurred, the Independent Legal Counsel. The Company shall maintain funds in the trust account in the Trust Fund Amount, depositing such

additional amounts as may be appropriate as a result of disbursements from the account or increases which, from time to time, may occur in the Trust Fund Amount. The terms of the trust shall provide that upon a Change in Control (i) the trust shall not be revoked or the principal thereof invaded, without the written consent of Indemnitee, (ii) the trustee shall advance, within five business days of a request by Indemnitee, any and all Expenses to Indemnitee (and Indemnitee hereby agrees to reimburse the trust under the circumstances under which Indemnitee would be required to reimburse the Company under Section 2(b) of this Agreement), (iii) the trust shall continue to be funded by the Company in accordance with the funding obligation set forth above, (iv) the trustee shall promptly pay to Indemnitee all amounts for which Indemnitee shall be entitled to indemnification pursuant to this Agreement or otherwise, and (v) all unexpended funds in such trust shall revert to the Company upon a final determination by the Reviewing Party or a court of competent jurisdiction, as the case may be, that Indemnitee has been fully indemnified under the terms of this Agreement. The trustee shall be chosen by Indemnitee. Nothing in this Section 4 shall relieve the Company of any of its obligations under this Agreement. All income earned on the assets held in the trust shall be reported as income by the Company for federal, state, local and foreign tax purposes. The parties acknowledge that Indemnitee will have no adequate remedy at law if the Company breaches its obligations under this Section 4, and agree that, in addition to any other remedies which may be available, Indemnitee shall be entitled to the equitable remedy of specific performance in the event of a breach or threatened breach by the Company of its obligations hereunder. Indemnitee and the Company further agree that a monetary remedy for breach of this Agreement, at some later date, will be inadequate, impracticable and difficult to prove and further agree that such breach would cause Indemnitee irreparable harm. Accordingly, Indemnitee and the Company agree that Indemnitee shall be entitled to temporary and permanent injunctive relief to enforce this Agreement without the necessity of proving actual damages or irreparable harm. Indemnitee and the Company further agree that Indemnitee shall be entitled to such injunctive relief, including temporary restraining orders, preliminary injunctions and permanent injunctions, without the necessity of posting bond or other undertaking in connection therewith. Any such requirement of bond or undertaking is hereby waived by the Company.

5. *Indemnification for Additional Expenses.* To the fullest extent permitted by applicable law, the Company shall indemnify Indemnitee against any and all Expenses and, if requested by Indemnitee, shall (within five business days of such request) advance such Expenses to Indemnitee, which are incurred by Indemnitee in connection with any action or proceeding brought by Indemnitee for (i) indemnification or advance payment of Expenses by the Company under this Agreement or any other agreement or under the Certificate of Incorporation or By-Laws of the Company now or hereafter in effect relating to Claims for Indemnifiable Events and/or (ii) recovery under any directors' and officers' liability insurance policies maintained by the Company, regardless of whether Indemnitee ultimately is determined to be entitled to such indemnification, advance expense payment or insurance recovery, as the case may be.

6. *Partial Indemnity, Etc.* If Indemnitee is entitled under any provision of this Agreement to indemnification by the Company for some or a portion of the Expenses, liabilities, damages, losses, judgments, fines, penalties and amounts paid in settlement of a Claim but not, however, for all of the total amount thereof, the Company shall nevertheless indemnify Indemnitee for the portion thereof to which Indemnitee is entitled. Moreover, notwithstanding any other provision of this Agreement, to the extent that Indemnitee has been successful on the merits or otherwise in defense of any or all Claims relating in whole or in part to an Indemnifiable Event or in defense of any issue or matter therein, including dismissal without prejudice, Indemnitee shall be

indemnified against all Expenses incurred in connection therewith. In connection with any determination by the Reviewing Party or otherwise as to whether Indemnitee is entitled to be indemnified hereunder, the burden of proof shall be on the Company to establish that Indemnitee is not so entitled.

7. *No Presumption.* For purposes of this Agreement, the termination of any claim, action, suit or proceeding, by judgment, order, settlement (whether with or without court approval) or conviction, or upon a plea of nolo contendere or its equivalent, shall not create a presumption that Indemnitee did not meet any particular standard of conduct or have any particular belief or that a court has determined that indemnification is not permitted by applicable law.

8. *Non-exclusivity, Etc.* The rights of Indemnitee hereunder shall be in addition to any other rights Indemnitee may have under the Certificate of Incorporation or By-Laws of the Company or the Delaware General Corporation Law or otherwise. To the extent that a change in the Delaware General Corporation Law (whether by statute or judicial decision) permits greater indemnification by agreement than would be afforded currently under the Certificate of Incorporation and By-Laws of the Company and this Agreement, it is the intent of the parties hereto that Indemnitee shall enjoy by this Agreement the greatest benefits so afforded by such change.

9. *No Construction as Employment Agreement.* Nothing contained herein shall be construed as giving Indemnitee any right to be retained in the employ of the Company or any of its subsidiaries.

10. *Liability Insurance.* To the extent the Company maintains an insurance policy or policies providing directors' and officers' liability insurance, Indemnitee shall be covered by such policy or policies, in accordance with its or their terms, to the maximum extent of the coverage provided for any Company director or officer, and upon any Change in Control, the Company shall obtain continuation and/or "tail" coverage for Indemnitee to the maximum amount reasonably obtainable at such time.

11. *Amendments, Etc.* No supplement, modification or amendment of this Agreement shall be binding unless executed in writing by both of the parties hereto. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provisions hereof (whether or not similar) nor shall such waiver constitute a continuing waiver.

12. *Subrogation.* In the event of payment under this Agreement, the Company shall be subrogated to the extent of such payment to all of the rights of recovery of Indemnitee, who shall, at the Company's expense, execute all papers required and shall do everything that may be necessary to secure such rights, including the execution of such documents as may be necessary to enable the Company effectively to bring suit to enforce such rights.

13. *No Duplication of Payments.* The Company shall not be liable under this Agreement to make any payment to the extent Indemnitee has otherwise actually received payment (under any insurance policy, the Certificate of Incorporation or the By-Laws of the Company or otherwise) of the amounts otherwise indemnifiable hereunder.

14. *Indemnification Procedures.*

(a) Promptly after receipt by Indemnitee of notice of the commencement of or the threat of commencement of any Claim which could relate to an Indemnifiable Event, Indemnitee shall notify the Company of the commencement or threat thereof (including a brief description of the nature of, and facts underlying such, Claim); but the omission so to notify or delay in notifying the Company will not relieve the Company from any liability which it may have to Indemnitee except to the extent that the Company is actually prejudiced by any such omission or delay.

(b) The Company shall give prompt notice of the commencement of such Claim to the insurers on the D&O Insurance, if any, in accordance with the procedures set forth in the respective policies in favor of Indemnitee. The Company shall thereafter take all necessary or desirable action to cause such insurers to pay, on behalf of Indemnitee, all amounts payable as a result of such Claim in accordance with the terms of such policies.

(c) In the event such Claim is other than by or in the right of the Company, Indemnitee may, at [her][his] option, either control the defense thereof [herself][himself], require the Company to defend [her][him] or accept the defense provided under the D&O Insurance; provided, however, that Indemnitee may not control the defense [herself][himself] or require the Company to defend [her][him] if such decision would jeopardize the coverage provided by the D&O Insurance to the Company and/or the other directors and officers covered thereby. In the event that Indemnitee requires the Company to defend [her][him], or in the event that Indemnitee proceeds under the D&O Insurance but Indemnitee determines that such insurers under the D&O Insurance are unable or unwilling to adequately defend, contest and protect Indemnitee against any such Claim, the Company shall promptly undertake to defend any such Claim, at the Company's sole cost and expense, utilizing counsel of Indemnitee's choice who has been approved by the Company; provided that, from and after such time as the Company undertakes the defense of any such Claim, the Company shall not be liable to Indemnitee under this Agreement or otherwise for any Expenses subsequently directly incurred by Indemnitee in connection with Indemnitee's defense of such Claim other than reasonable costs of investigation or as otherwise provided below. Indemnitee shall have the right to employ its own legal counsel in such Claim, but all Expenses related to such counsel incurred after notice from the Company of its assumption of the defense shall be at Indemnitee's own expense; provided, however, that if (i) Indemnitee's employment of its own legal counsel has been authorized by the Company, (ii) Indemnitee has reasonably determined that there may be a conflict of interest between Indemnitee and the Company in the defense of such Claim, (iii) after a Change in Control, Indemnitee's employment of its own counsel has been approved by the Independent Legal Counsel or (iv) the Company shall not in fact have employed counsel to assume the defense of such Claim, then Indemnitee shall be entitled to retain its own separate counsel (but not more than one law firm plus, if applicable, local counsel in respect of any such Claim) and all Expenses related to such separate counsel shall be borne by the Company. If appropriate, the Company shall have the right to participate in the defense of such Claim.

(d) In the event such Claim is by or in the right of the Company, Indemnitee may, at [her][his] option, either control the defense thereof [herself][himself] or accept the defense provided under the D&O Insurance; provided, however, that Indemnitee may not control the defense [herself][himself] if such decision would jeopardize the coverage provided by the D&O Insurance, if any, to the Company and/or the other directors and officers covered thereby.

(e) In the event the Company shall fail timely to defend, contest or otherwise protect Indemnitee against any such Claim which is not by or in the right of the Company, Indemnitee shall have the right to do so, including without limitation, the right to make any compromise or settlement thereof, and to recover from the Company all attorneys' fees, reimbursements and all amounts paid as a result thereof. The Company shall not be liable to Indemnitee under this Agreement for any amount paid in settlement of any threatened or pending Claim related to an Indemnifiable Event effected without the prior written consent of the Company (which consent shall not be unreasonably withheld); provided, however that if a Change in Control has occurred, the Company shall be liable for indemnification of Indemnitee for amounts paid in settlement if Independent Legal Counsel has approved the settlement.

(f) The Company shall not, without the prior written consent of Indemnitee, consent to the entry of any judgment against Indemnitee or enter into any settlement or compromise which (i) includes an admission of fault of Indemnitee, or (ii) does not include, as an unconditional term thereof, the full release of Indemnitee from all liability in respect of such Claim, which release shall be in form and substance reasonably satisfactory to Indemnitee.

15. *Binding Effect, Etc.* This Agreement shall be binding upon and inure to the benefit of and be enforceable by the parties hereto and their respective successors, assigns, including any direct or indirect successor by purchase, merger, consolidation or otherwise to all or substantially all of the business and/or assets of the Company, spouses, heirs, and personal and legal representatives. The Company shall require and cause any successor (whether direct or indirect by purchase, merger, consolidation or otherwise) to all, substantially all, or a substantial part, of the business and/or assets of the Company, by written agreement in form and substance satisfactory to Indemnitee, expressly to assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform if no such succession had taken place. All agreements and obligations of the Company contained in this Agreement shall continue during the period Indemnitee serves in any capacity entitling Indemnitee to indemnification under this Agreement and shall continue thereafter (i) so long as Indemnitee may be subject to any possible Claim by reason of (or arising in part out of) an Indemnifiable Event and (ii) throughout the pendency of any proceeding (including any rights of appeal thereto) commenced by Indemnitee to enforce or interpret [his][her] rights under this Agreement, even if, in either case, [he][she] may have ceased to serve in such capacity at the time of any such Claim or proceeding.

16. *Severability.* The provisions of this Agreement shall be severable. In the event that any of the provisions hereof (including any provision within a single section, paragraph or sentence) are held by a court of competent jurisdiction to be invalid, void or otherwise unenforceable, the remaining provisions shall remain enforceable to the fullest extent permitted by law. Furthermore, to the fullest extent possible, the provisions of this Agreement (including, without limitation, each portion of this Agreement containing any provision held to be invalid, void or otherwise unenforceable, that is not itself invalid, void or unenforceable) shall be construed so as to give effect to the intent manifested by the provision held invalid, illegal or unenforceable.

17. *Entire Agreement.* This Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes all prior agreements and understandings, oral, written and implied, between the parties hereto with respect to the subject matter hereof; provided, however, that this Agreement is a supplement to and in furtherance of the Certificate of Incorporation, the By-laws, any directors' and officers' insurance maintained by the

Company and applicable law, and shall not be deemed a substitute therefor, nor to diminish or abrogate any rights of Indemnitee thereunder; provided further, that, in the event that this Agreement is held by a court of competent jurisdiction to be invalid, void or otherwise unenforceable in its entirety, the Company and Indemnitee agree to be bound by any indemnification agreement in effect immediately prior to the date hereof.

18. *Governing Law.* This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Delaware applicable to contracts made and to be performed in such state without giving effect to the principles of conflicts of laws.

[Remainder of Page Intentionally Left Blank; Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Agreement as of the day and year first written above.

[NAME]
Indemnitee

OCCIDENTAL PETROLEUM CORPORATION

By:
Name: Nicole E. Clark
Title: Vice President, Deputy General Counsel and Corporate Secretary

**OCCIDENTAL PETROLEUM CORPORATION
GROUP EXCESS LIABILITY INSURANCE PROGRAM**

Certain executives of Occidental Petroleum Corporation ("Occidental" or the "Company") and its subsidiaries are selected to participate in the Company's Group Excess Liability Insurance Program (the "Program"). The Program provides excess coverage beyond regular liability policies, with required minimum coverage for underlying policies such as auto and home policies. Under the Program, the Company pays the premium for insurance.

LIST OF SUBSIDIARIES

The following is a list of the Registrant's subsidiaries at December 31, 2020.

Name	Jurisdiction of Formation
1PointFive, Inc.	Delaware
1PointFive P1, LLC	Delaware
Amarok Gathering, LLC	Delaware
Anadarko 20-25 Company	Cayman Islands
Anadarko 20-36 Company	Cayman Islands
Anadarko 20-47 Company	Cayman Islands
Anadarko 20-48 Company	Cayman Islands
Anadarko 20-49 Company	Cayman Islands
Anadarko Algeria Block 403 c/e Company	Cayman Islands
Anadarko Algeria Block 406B Company	Cayman Islands
Anadarko Algeria Company, LLC	Delaware
Anadarko Algeria Oil & Gas Company	Cayman Islands
Anadarko Brazil Investment I LLC	Delaware
Anadarko Brazil Investment II LLC	Delaware
Anadarko Canada E&P Limited	Canada
Anadarko China Holdings 2 Company	Cayman Islands
Anadarko Colombia Company	Cayman Islands
Anadarko Consolidated Holdings LLC	Delaware
Anadarko Cote d'Ivoire Block 103 Company	Cayman Islands
Anadarko Cote d'Ivoire Company	Cayman Islands
Anadarko DBMOS Operator, LLC	Delaware
Anadarko Development Company	Cayman Islands
Anadarko Development Holding Limited	Gibraltar
Anadarko E&P Onshore LLC	Delaware
Anadarko Egypt Holdings Company	Delaware
Anadarko Energy Holding Limited	Gibraltar
Anadarko Energy Services Company	Delaware
Anadarko Exploracao e Producao de Petroleo e Gas Natural Ltda.	Brazil
Anadarko Finance Company	Nova Scotia
Anadarko Gabon Company	Cayman Islands
Anadarko Ghana Mahogany-1 Company	Cayman Islands
Anadarko Global Energy S.a.r.l	Luxembourg
Anadarko Global Funding 1 Company	Cayman Islands
Anadarko Global Funding II Ltd.	Bahamas
Anadarko Guyana Company	Cayman Islands
Anadarko Holding Company	Utah
Anadarko International Development S.a.r.l	Luxembourg
Anadarko International Energy Company	Delaware
Anadarko International O&G Company	Cayman Islands
Anadarko International Trading Corporation	Delaware
Anadarko Jordan Company	Delaware
Anadarko Kenya Company	Cayman Islands
Anadarko Land Corp.	Nebraska
Anadarko LMM, S.a.r.l	Luxembourg
Anadarko Mexico B.V.	Netherlands
Anadarko Mexico S.a.r.l	Luxembourg
Anadarko Midkiff/Chaney Dell BR Corp.	Delaware
Anadarko Midkiff/Chaney Dell LLC	Delaware

Name	Jurisdiction of Formation
Anadarko Natural Gas Company LLC	Delaware
Anadarko New Zealand Company	Cayman Islands
Anadarko Offshore Holding Company, LLC	Delaware
Anadarko Offshore Well Containment Company LLC	Delaware
Anadarko OGC Company	Delaware
Anadarko Oil & Gas 5, LLC	Delaware
Anadarko Peru B.V.	Netherlands
Anadarko Petroleum Corporation	Delaware
Anadarko Realty, LLC	Texas
Anadarko Rockies LLC	Delaware
Anadarko Royalty Holdings Company	Delaware
Anadarko UK Corporate Limited	United Kingdom
Anadarko US Offshore LLC	Delaware
Anadarko USH1 Corporation	Delaware
Anadarko Venezuela Company	Cayman Islands
Anadarko Venezuela LLC	Delaware
Anadarko Venezuela, Srl	Venezuela
Anadarko WCTP Company	Cayman Islands
Anadarko West Texas BR Corp.	Delaware
Anadarko West Texas LLC	Delaware
Anadarko Worldwide Holdings C.V.	Netherlands
APC Aviation, Inc.	Delaware
APC International Holdings LLC	Delaware
APC Midstream Holdings, LLC	Delaware
APC Venezuela, Srl	Venezuela
Atlantic Rim Mexico, S. de R.L. de C.V.	Mexico
Aventine LLC	New Mexico
Baseball Merger Sub 2, Inc.	Delaware
Bear Branch Exploration, LLC	Delaware
Big Island Trona Company	Delaware
Bitter Creek Coal Company	Utah
Bravo Pipeline Company	Delaware
Cain Chemical Inc.	Delaware
Carbon Finance Labs, LLC	Delaware
Concord Petroleum Corporation	Panama
Conn Creek Shale Company	Delaware
D.S. Ventures, LLC	Texas
Deerwood Exploration, LLC	Delaware
DMM Financial LLC	Delaware
Downtown Plaza II	Oklahoma
FLAG Development, LLC	Delaware
Fosters Mill Exploration, LLC	Delaware
FP Westport Commodities Limited	United Kingdom
FP Westport GmbH	Switzerland
FP Westport Limited	United Kingdom
FP Westport LLC	Delaware
FP Westport Services LLC	Delaware
FP Westport Trading LLC	Delaware
Glenn Springs Holdings, Inc.	Delaware
Globrep Representaciones S.A.	Ecuador
Grand Bassa Tankers, Inc.	Delaware
Grupo OxyChem de Mexico, S.A. de C.V.	Mexico
Headwater II, LLC	Delaware
Houndstooth Resources, LLC	Texas

Name	Jurisdiction of Formation
INDSPEC Chemical B.V.	The Netherlands
INDSPEC Chemical Corporation	Delaware
INDSPEC Chemical Export Sales, LLC	Delaware
INDSPEC Holding Corporation	Delaware
Ingleside Cogeneration GP, LLC	Delaware
Ingleside Cogeneration Limited Partnership	Delaware
Interore Trading Ltd.	Liberia
Joslyn Partnership	Alberta, Canada
Kerr-McGee Corporation	Delaware
Kerr-McGee do Brasil Ltda.	Brazil
Kerr-McGee Natural Gas Company, Inc.	Delaware
Kerr-McGee of Canada Northwest Ltd.	Alberta
Kerr-McGee Oil & Gas Onshore LP	Delaware
Kerr-McGee Shared Services Company LLC	Delaware
Kerr-McGee Stored Power Corporation	Nevada
KERR-McGEE TT E&P LTD.	Trinidad and Tobago
Kerr-McGee U.K. Energy Corporation	Delaware
Kerr-McGee Worldwide Corporation	Delaware
KM BM-C-Seven Ltd.	Cayman Islands
KM International Insurance Ltd.	Bermuda
Laguna Petroleum, LLC	Texas
Liwa Oil & Gas Ltd.	Bermuda
Mariana Properties, Inc.	Delaware
Marico Exploration, Inc.	New Mexico
MC2 Technologies LLC	Delaware
Miller Springs Remediation Management, Inc.	Delaware
Moncrief Minerals Partnership, L.P.	Texas
Natural Gas Odorizing, Inc.	Oklahoma
New OPL, LLC	Delaware
NGL Ventures LLC	Delaware
Oakwood Exploration, LLC	Delaware
Occidental (Bermuda) Ltd.	Bermuda
Occidental (East Shabwa), LLC	Nevis
Occidental Advance Sale Finance, Inc.	California
Occidental Al Hosn, LLC	Delaware
Occidental Angola Holdings Ltd.	Bermuda
Occidental Canada Holdings Ltd.	Nova Scotia
Occidental Chemical Asia, Limited	Japan
Occidental Chemical Belgium B.V.B.A.	Belgium
Occidental Chemical Chile Limitada	Chile
Occidental Chemical Corporation	New York
Occidental Chemical de Mexico, S.A. de C.V.	Mexico
Occidental Chemical Export Sales, LLC	Delaware
Occidental Chemical Far East Limited	Hong Kong
Occidental Chemical Holding Corporation	California
Occidental Chemical International, LLC	California
Occidental Chemical Investment (Canada) 1, Inc.	Delaware
Occidental Chemical Receivables, LLC	Delaware
Occidental Chile Investments, LLC	Delaware
Occidental Chile Minority Holder, LLC	Delaware
Occidental CIS Services, Inc.	Delaware
Occidental Colombia (Series G) Ltd.	Bermuda
Occidental Colombia (Series J) Ltd.	Bermuda
Occidental Colombia (Series K) Ltd.	Bermuda

Name	Jurisdiction of Formation
Occidental Colombia (Series L) Ltd.	Bermuda
Occidental Colombia (Series M) Ltd.	Bermuda
Occidental Colombia (Series N) Ltd.	Bermuda
Occidental Colombia (Series O) Ltd.	Bermuda
Occidental Crude Sales, Inc. (Canada)	Delaware
Occidental Crude Sales, Inc. (International)	Delaware
Occidental del Ecuador, Inc.	Nevis
Occidental Dolphin Holdings Ltd.	Bermuda
Occidental Energy Marketing, Inc.	Delaware
Occidental Energy Ventures LLC	Delaware
Occidental Exploradora del Peru Ltd.	Bermuda
Occidental Exploration and Production Company	California
Occidental Hafar, LLC	Delaware
Occidental International (Libya), Inc.	Delaware
Occidental International Corporation	Delaware
Occidental International Exploration and Production Company	California
Occidental International Holdings Ltd.	Bermuda
Occidental International Oil and Gas Ltd.	Bermuda
Occidental International Services, Inc.	Delaware
Occidental Joslyn GP 2 Co.	Nova Scotia
Occidental Latin America Holdings, LLC	Delaware
Occidental Libya Oil & Gas B.V.	The Netherlands
Occidental LNG (Malaysia) Ltd.	Bermuda
Occidental MENA Manager Ltd.	Bermuda
Occidental Middle East Development Company	Delaware
Occidental Midland Basin, LLC	Delaware
Occidental Mukhaizna, LLC	Delaware
Occidental of Abu Dhabi (Bab) Ltd.	Bermuda
Occidental of Abu Dhabi (Shah) Ltd.	Bermuda
Occidental of Abu Dhabi Holdings Ltd.	Bermuda
Occidental of Abu Dhabi Ltd.	Bermuda
Occidental of Abu Dhabi, LLC	Delaware
Occidental of Bahrain Ltd.	Bermuda
Occidental of Bangladesh, Inc.	Delaware
Occidental of Colombia (Chipiron), Inc.	Nevis
Occidental of Colombia (Cosecha), Inc.	Nevis
Occidental of Colombia (Medina), Inc.	Nevis
Occidental of Colombia (Putumayo) Ltd.	Bermuda
Occidental of Colombia (Teca) Ltd.	Bermuda
Occidental of Colombia PUT-36, LLC	Delaware
Occidental of Dubai, Inc.	Nevis
Occidental of Iraq Holdings Ltd.	Bermuda
Occidental of Iraq, LLC	Delaware
Occidental of Oman, Inc.	Nevis
Occidental of Russia Ltd.	Bermuda
Occidental of South Africa (Offshore), Inc.	Nevis
Occidental of Yemen (Block 75), LLC	Delaware
Occidental Oil and Gas (Oman) Ltd.	Nevis
Occidental Oil and Gas Corporation	Texas
Occidental Oil and Gas International Inc.	Delaware
Occidental Oil and Gas International, LLC	Delaware
Occidental Oil and Gas of Peru, LLC	Delaware
Occidental Oil and Gas Pakistan LLC	Nevis
Occidental Oil Asia Pte. Ltd.	Singapore

Name	Jurisdiction of Formation
Occidental Oil Shale, Inc.	California
Occidental Oman (Block 27) Holdings Ltd.	Bermuda
Occidental Oman Block 51 Holding Ltd.	Bermuda
Occidental Oman Block 51, LLC	Delaware
Occidental Oman Block 65 Holding Ltd.	Bermuda
Occidental Oman Block 65, LLC	Delaware
Occidental Oman Block 72 Holding Ltd.	Bermuda
Occidental Oman Block 72, LLC	Delaware
Occidental Oman Gas Company LLC	Delaware
Occidental Oman Gas Holdings Ltd.	Bermuda
Occidental Oman North Holdings, Ltd.	Bermuda
Occidental Oriente Exploration and Production Ltd.	Cayman Islands
Occidental Overseas Holdings B.V.	The Netherlands
Occidental Peninsula II, Inc.	Nevis
Occidental Peninsula, LLC	Delaware
Occidental Permian Ltd.	Texas
Occidental Permian Manager LLC	Delaware
Occidental Permian Services, Inc.	Delaware
Occidental Peruana, Inc.	California
Occidental Petrolera del Peru (Block 101), Inc.	Nevis
Occidental Petrolera del Peru (Block 103), Inc.	Nevis
Occidental Petroleum (Pakistan), Inc.	Delaware
Occidental Petroleum Corporation	Delaware
Occidental Petroleum Corporation Political Action Committee	California
Occidental Petroleum de Venezuela, S.A.	Venezuela
Occidental Petroleum of Nigeria	Nigeria
Occidental Petroleum of Oman Ltd.	Nevis
Occidental Petroleum of Qatar Ltd.	Bermuda
Occidental Power Marketing, L.P.	Delaware
Occidental Power Services, Inc.	Delaware
Occidental PVC, LLC	Texas
Occidental Qatar Energy Company LLC	Delaware
Occidental Red Sea Development, LLC	Nevis
Occidental Research Corporation	California
Occidental Resource Recovery Systems, Inc.	California
Occidental Resources Company	Cayman Islands
Occidental Shah Gas Holdings Ltd.	Bermuda
Occidental South America Finance, LLC	Delaware
Occidental Specialty Marketing, Inc.	Delaware
Occidental Tower Corporation	Delaware
Occidental Transportation Holding Corporation	Delaware
Occidental West Texas Overthrust, Inc.	Texas
Occidental Yemen Ltd.	Bermuda
Occidental Yemen Sabatain, Inc.	Nevis
Oceanic Marine Transport Ltd.	Bermuda
OEVC Energy, LLC	Texas
OEVC Midstream Projects, LLC	Delaware
OIH, LLC	Delaware
OLCV CE Holdings, ULC	British Columbia
OLCV CE US Holdings, Inc.	Delaware
OLCV Net Power, LLC	Texas
OLCV Services LLC	Delaware
OOG Partner LLC	Delaware
OOOI Chem Holdings, LLC	Delaware

Name	Jurisdiction of Formation
OOOI Chem Sub, LLC	Delaware
OOOI Chemical International, LLC	Delaware
OOOI Chile Holder, LLC	Delaware
OOOI Ecuador Management, LLC	Delaware
OOOI Oil and Gas Sub, LLC	Delaware
OOOI South America Management, LLC	Delaware
Opcal Insurance, Inc.	Hawaii
OPM GP, Inc.	Delaware
OPM Holdco, LLC	Delaware
Oryx Crude Trading & Transportation, Inc.	Delaware
OTCF, LLC	Delaware
OTH, LLC	Delaware
Oxy BridgeTex Limited Partnership	Texas
Oxy C & I Bulk Sales, LLC	Delaware
OXY Campus, LLC	Delaware
Oxy Canada Sales, Inc.	Delaware
Oxy Carbon Solutions, LLC	Texas
Oxy Carbon Storage, LLC	Delaware
Oxy Climate Ventures, Inc.	Delaware
Oxy Cogeneration Holding Company, LLC	Delaware
Oxy Colombia Holdings, LLC	Delaware
Oxy Colombia TopCo Ltd.	Bermuda
OXY CV Pipeline LLC	Delaware
Oxy Delaware Basin Plant, LLC	Delaware
Oxy Delaware Basin, LLC	Texas
Oxy Dolphin E&P, LLC	Nevis
Oxy Dolphin Pipeline, LLC	Nevis
Oxy Energy Canada, Inc.	Delaware
Oxy Energy Services, LLC	Delaware
Oxy Expatriate Services, Inc.	Delaware
Oxy FFT Holdings, Inc.	Delaware
Oxy Holding Company (Pipeline), Inc.	Delaware
OXY Inc.	California
Oxy International Ventures Ltd.	Bermuda
Oxy Levelland Pipeline Company, LLC	Delaware
Oxy Levelland Terminal Company, LLC	Delaware
OXY Libya E&P Area 103 BR4 B.V.	The Netherlands
OXY Libya E&P Area 35 Ltd.	Bermuda
OXY Libya E&P Concession 103 Ltd.	Bermuda
OXY Libya E&P EPSA 102 B.V.	The Netherlands
OXY Libya E&P EPSA 1981 Ltd.	Bermuda
OXY Libya E&P EPSA 1985 Ltd.	Bermuda
OXY Libya E&P NC 143, 144, 145, 150 B.V.	The Netherlands
OXY Libya Exploration, SPC	Cayman Islands
OXY Libya, LLC	Delaware
OXY Little Knife, LLC	Delaware
Oxy Low Carbon Ventures, LLC	Delaware
OXY LPG LLC	Delaware
Oxy LPG Terminal, LLC	Delaware
OXY Mexico Holdings I, LLC	Delaware
OXY Mexico Holdings II, LLC	Delaware
OXY Middle East Holdings Ltd.	Bermuda
Oxy Midstream Strategic Development, LLC	Delaware
OXY of Saudi Arabia Ltd.	Cayman Islands

Name	Jurisdiction of Formation
OXY Oil Partners, Inc.	Delaware
Oxy Oleoducto SOP, LLC	Delaware
Oxy Overseas Services Ltd.	Bermuda
OXY PBLP Manager, LLC	Delaware
Oxy Permian Gathering, LLC	Delaware
Oxy Permian Plaza, LLC	Delaware
Oxy Petroleum de Mexico, S. de R.L. de C.V.	Mexico
Oxy Renewable Energy LLC	Texas
Oxy Salt Creek Pipeline LLC	Delaware
OXY Support Services, LLC	Delaware
Oxy Taft Hub, LLC	Texas
Oxy Technology Ventures, Inc.	Delaware
Oxy TL, LLC	Delaware
Oxy Transport I Company, LLC	Delaware
OXY Tulsa Inc.	Delaware
OXY USA Inc.	Delaware
OXY USA WTP LP	Delaware
Oxy Vinyls Canada Co.	Nova Scotia
Oxy Vinyls Export Sales, LLC	Delaware
Oxy Vinyls, LP	Delaware
OXY VPP Investments, LLC	Delaware
OXY West, LLC	Texas
Oxy Westwood Corporation	California
Oxy Y-1 Company	New Mexico
OXYCHEM (CANADA), INC.	Alberta, Canada
OxyChem do Brasil Ltda.	Brazil
OxyChem Ingleside Ethylene Holdings, Inc.	Delaware
Oxychem Shipping Ltd.	Malta
OxyChile Investments, LLC	Delaware
OXYMAR	Texas
Permian Basin JV Tax Matters Member LLC	Delaware
Permian Basin Limited Partnership	Delaware
Permian VPP Holder, LP	Delaware
Permian VPP Manager, LLC	Delaware
Placid Oil, LLC	Delaware
Ramlat Oxy Ltd.	Bermuda
Rio de Viento, Inc.	Wyoming
Rodeo Midland Basin, LLC	Delaware
San Patricio Pipeline LLC	Delaware
Scanports Shipping, LLC	Delaware
SequestCo, LLC	Delaware
Stetson Exploration, LLC	Delaware
Sun Offshore Gathering Company	Delaware
Swiflite Aircraft Corporation	New Jersey
Transok Properties, LLC	Delaware
Troy Potter, Inc.	Texas
Turavent Oil GmbH [in liquidation]	Switzerland
Tuscaloosa Holdings, Inc.	Delaware
UP Petroleo III Ltd.	Bermuda
Upland Industries Corporation	Nebraska
Venezuela US SRL	Barbados
Vintage Gas, Inc.	Oklahoma
Vintage Petroleum Argentina Ltd.	Cayman Islands
Vintage Petroleum Boliviana, Ltd.	Bermuda

Name	Jurisdiction of Formation
Vintage Petroleum International Finance B.V.	The Netherlands
Vintage Petroleum International Holdings, LLC	Delaware
Vintage Petroleum International Ventures, Inc.	Cayman Islands
Vintage Petroleum International, LLC	Delaware
Vintage Petroleum Italy, Inc.	Oklahoma
Vintage Petroleum South America Holdings, Inc.	Cayman Islands
Vintage Petroleum South America, LLC	Oklahoma
Vintage Petroleum Turkey, Inc.	Cayman Islands
Wardner Ranch, Inc.	Delaware
Western Gas Resources, Inc.	Delaware
Western Gas Resources-Westana, Inc.	Delaware
Western Midstream Holdings, LLC	Delaware
WGR Asset Holding Company LLC	Delaware
WGR Canada, Inc.	New Brunswick
Woodlands International Insurance Ltd.	Bermuda
YT Ranch LLC	Colorado

Consent of Independent Registered Public Accounting Firm

The Board of Directors Occidental Petroleum Corporation:

We consent to the incorporation by reference in the registration statements (Nos. 333-83124, 333-142705, 333-203801, 333-207413, 333-224691, 333-237414 and 333-239236) on Forms S-8 and the registration statements (Nos. 333-55404, 333-232928 and 333-235445) on Forms S-3 of Occidental Petroleum Corporation of our reports dated February 26, 2021, with respect to the consolidated balance sheets of Occidental Petroleum Corporation as of December 31, 2020 and 2019, the related consolidated statements of operations, comprehensive income (loss), stockholders' equity, and cash flows for each of the years in the three-year period ended December 31, 2020, and the related notes and financial statement schedule II, and the effectiveness of internal control over financial reporting as of December 31, 2020, which reports appear in the December 31, 2020 annual report on Form 10-K of Occidental Petroleum Corporation.

Our report refers to a change in the method of accounting for leases in 2019 due to the adoption of Accounting Standards Codification Topic 842, *Leases*.

/s/ KPMG LLP

Houston, Texas
February 26, 2021



RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS

TBPE REGISTERED ENGINEERING FIRM F-1580 FAX (713) 651-0849
1100 LOUISIANA SUITE 4600 HOUSTON, TEXAS 77002-5294 TELEPHONE (713) 651-9191

CONSENT OF INDEPENDENT PETROLEUM ENGINEERS

To the Board of Directors
Occidental Petroleum Corporation:

We consent to the (i) inclusion in the Occidental Petroleum Corporation (Occidental) Form 10-K for the year ended December 31, 2020, and the incorporation by reference in Occidental's registration statements (No. 333-55404, 333-83124, 333-142705, 333-203801, 333-207413, 333-224691, 333-232928, 333-235445, 333-237414 and 333-239236) (the "Registration Statements"), including any amendments thereto, of references to our firm and to our letter dated January 29, 2021, relating to our review of the methods and procedures used by Occidental for estimating its oil and gas proved reserves (our "Letter"), (ii) filing of our Letter with the U.S. Securities and Exchange Commission as Exhibit 99.1 to the Form 10-K and (iii) incorporation by reference of our Letter in the Registration Statements.

/s/ Ryder Scott Company, L.P.

RYDER SCOTT COMPANY, L.P.
TBPE Firm Registration No. F-1580

Houston, Texas
February 26, 2021

SUITE 800, 350 7TH AVENUE, S.W. CALGARY, ALBERTA T2P 3N9 TEL (403) 262-2799 FAX (403) 262-2790
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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 annual report on Form 10-K 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: February 26, 2021

/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, Robert L. Peterson, certify that:

1. I have reviewed this annual report on Form 10-K 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: February 26, 2021

/s/ Robert L. Peterson

Robert L. Peterson
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 Annual Report on Form 10-K of Occidental Petroleum Corporation (the "Company") for the fiscal period ended December 31, 2020, as filed with the Securities and Exchange Commission on February 26, 2021 (the "Report"), Vicki Hollub, as Chief Executive Officer of the Company, and Robert L. Peterson, 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: February 26, 2021

 /s/ Robert L. Peterson

Name: Robert L. Peterson
Title: Senior Vice President and Chief Financial Officer
Date: February 26, 2021

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.

OCCIDENTAL PETROLEUM CORPORATION

**Process Review
of the
Estimated
Future Proved Reserves and Income
Attributable to Certain
Leasehold and Royalty Interests**

OXY PROPERTIES

SEC Parameters

As of

December 31, 2020

/s/ Guale Ramirez

Guale Ramirez, P.E.
TBPE License No. 48318
President

RYDER SCOTT COMPANY, L.P.
TBPE Firm Registration No. F-1580

[SEAL]



TBPE REGISTERED ENGINEERING FIRM F-1580 FAX (713) 651-0849
1100 LOUISIANA SUITE 4600 HOUSTON, TEXAS 77002-5294 TELEPHONE (713) 651-9191

January 29, 2021

Occidental Petroleum Corporation
5 Greenway Plaza, Suite 110
Houston, Texas 77046

Ladies and Gentlemen:

At your request, Ryder Scott Company, L.P. (Ryder Scott) has conducted a process review of the methods and analytical procedures utilized by the engineering and geological staff of Occidental Petroleum Corporation (Occidental) for estimating the proved reserves volumes, preparing the economic evaluations and determining the reserves classifications as of December 31, 2020, based on the definitions and disclosure guidelines of the United States Securities and Exchange Commission (SEC) Title 17, Code of Federal Regulations, Modernization of Oil and Gas Reporting, Final Rule released January 14, 2009 in the Federal Register (SEC regulations). The results of our third party reserves process review, completed on January 29, 2021 and presented herein, were prepared for public disclosure by Occidental in filings made with the SEC in accordance with the disclosure requirements set forth under Section 229.1202(a)(8) of the SEC regulations.

Based on our review, including the data, technical processes and interpretations presented by Occidental, it is our opinion that the overall procedures and methodologies utilized by Occidental in estimating the proved reserves volumes, documenting the changes in reserves from prior estimates, preparing the economic evaluations and determining the reserves classifications for the reviewed properties are appropriate for the purpose thereof, and comply with the SEC regulations as of December 31, 2020. Ryder Scott has not been engaged to render an opinion as to the reasonableness of the proved reserves quantities reported by Occidental.

Properties Reviewed

The proved reserves reviewed herein are attributable to the leasehold and royalty interests of Occidental in certain properties located in the United States in the states of Colorado, Louisiana (offshore federal waters), New Mexico and Texas.

The properties reviewed herein were selected by Occidental. Ryder Scott and Occidental concur that these properties are a valid representation of Occidental's total net proved reserves portfolio as of December 31, 2020. Based on the estimates prepared by Occidental, the portion of total company net liquid and net gas reserves reviewed by us are expressed as a percentage and presented in summary form on the following page. At Occidental's request and as provided by Occidental, we have also presented the portion of the total company net proved reserves reviewed by us on a barrel of oil equivalent (BOE) basis.

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Percentage of Total Company Estimated Net Reserves
Reviewed by Ryder Scott
SEC Parameters
Occidental Petroleum Corporation
As of December 31, 2020

	Oil/Condensate	NGL	Total Liquid Hydrocarbons	Gas	Equivalent BOE
Total Proved Developed	25.9%	38.9%	28.2%	34.9%	30.1%
Total Proved Undeveloped	34.1%	29.0%	29.4%	26.3%	28.5%
Total Company Proved	27.5%	36.5%	28.5%	32.9%	29.7%

The net liquid hydrocarbons reviewed are comprised of oil, condensate and natural gas liquids (NGL) and are based on standard 42 gallon barrels. All net gas volumes reviewed are based on an "as sold" basis expressed in millions of cubic feet (MMCF) at the official temperature and pressure bases of the areas in which the gas reserves are located. Reserves reviewed and noted herein on a BOE basis are based on converting natural gas on the basis of relative energy content using a factor of 6,000 cubic feet of natural gas per one BOE. It should be noted that barrel of oil equivalence does not necessarily result in price equivalence as the equivalent price of natural gas on a BOE basis is, and has been substantially lower than the corresponding price for crude oil currently and for a number of years.

Reserves Process Review Discussion

A process review, according to Paragraph 2.2(i) contained in the Society of Petroleum Engineers (SPE) Standards Pertaining to the Estimating and Auditing of Oil and Gas Reserves Information (SPE auditing standards), is "the result of an investigation by a person who is qualified by experience and training equivalent to that of a QRA [Qualified Reserves Auditor] to address the adequacy and effectiveness of an entity's internal processes and controls relative to Reserves estimation."

In order to arrive at our conclusions and to substantiate our opinion relative to Occidental's internal reserves estimation process and controls, we conducted our investigation in a manner that closely conforms to the SPE auditing standards for a reserves audit. Under Paragraph 2.2(g) of the SPE auditing standards, a reserves audit includes "the process of reviewing certain of the pertinent facts interpreted and assumptions made that have resulted in an estimate of Reserves and/or Reserves information prepared by others and the rendering of an opinion about the appropriateness of the methodologies used, the adequacy and quality of the data relied upon, the depth and thoroughness of the Reserves estimation process, the categorization of Reserves appropriate to the relevant definitions used, and the reasonableness of the estimated Reserves quantities and/or the Reserves information."

Our process review, however, differs from an SPE reserves audit in that we have not conducted our investigation with sufficient rigor to express an opinion as to "the reasonableness of the estimated reserve quantities and/or the Reserves Information" as required under Paragraph 2.2(g) of the SPE auditing standards for a reserves audit. Our review should not be construed to be a complete and comprehensive appraisal of the subject properties or deemed to convey the same level of information contained in a third party reserves audit or reserves evaluation report.

Applicable Petroleum Reserves Definitions

The determination of the proved reserves classifications as discussed herein are based on the definitions as set forth in the Securities and Exchange Commission's Regulations Part 210.4-10(a) released January 14, 2009 in the Federal Register, Volume 74, pages 2158 through 2197.

Reserves and Uncertainty

The SEC defines reserves as the “estimated remaining quantities of oil and gas and related substances anticipated to be economically producible, as of a given date, by application of development projects to known accumulations.” All reserve estimates involve an assessment of the uncertainty relating to the likelihood that the actual remaining quantities recovered will be greater or less than the estimated quantities determined as of the date the estimate is made. The uncertainty depends chiefly on the amount of reliable geologic and engineering data available at the time of the estimate and the interpretation of these data. The relative degree of uncertainty may be conveyed by placing reserves into one of two principal classifications, either proved or unproved. Unproved reserves are less certain to be recovered than proved reserves and may be further sub-classified as probable and possible reserves to denote progressively increasing uncertainty as to their recoverability.

In many cases, the analysis of the available geoscience and engineering data and the subsequent interpretation of this data may indicate a range of possible outcomes in an estimate, irrespective of the method selected by the evaluator. When a range in the quantity of reserves is identified, the evaluator must determine the uncertainty associated with the incremental quantities of the reserves. If the reserves quantities are estimated using the deterministic incremental approach, the uncertainty for each discrete incremental quantity of the reserves is addressed by the reserves category assigned by the evaluator. Therefore, it is the categorization of reserve quantities as proved, probable or possible that addresses the inherent uncertainty in the estimated quantities reported. For proved reserves, uncertainty is defined by the SEC as reasonable certainty that the estimates of the quantities actually recovered are “much more likely to be achieved than not.” The SEC defines probable reserves as “those additional reserves that are less certain to be recovered than proved reserves but which, together with proved reserves, are as likely as not to be recovered.” The SEC defines possible reserves as “those additional reserves that are less certain to be recovered than probable reserves.” All quantities of reserves within the same reserves category must meet the SEC definitions as noted above.

The reserves for the properties reviewed by us were estimated by Occidental using deterministic methods and presented as incremental quantities. Under the deterministic incremental approach, discrete quantities of reserves are estimated and assigned separately as proved, probable or possible based on their individual level of uncertainty. At Occidental's request, this reserves process review addresses only the proved reserves attributable to the properties reviewed herein.

Reserves estimates will generally be revised only as additional geologic or engineering data become available or as economic conditions change. For proved reserves, the SEC states that “as changes due to increased availability of geoscience (geological, geophysical, and geochemical), engineering, and economic data are made to the estimated ultimate recovery (EUR) with time, reasonably certain EUR is much more likely to increase or remain constant than to decrease.” Moreover, estimates of proved, probable and possible reserves quantities and their associated reserves categories may be revised due to other factors such as the results of future operations, effects of regulation by governmental agencies or geopolitical or economic risks.

Reserves Process Review Procedure

Certain technical personnel responsible for the preparation of Occidental's proved reserves estimates presented the data, methods and procedures used in 1) estimating the reserves volumes as of December 31, 2020; 2) documenting the changes in reserves from prior estimates; 3) preparing the economic evaluations associated with the estimated December 31, 2020 reserves; and 4) determining the reserves classifications for each of the subject properties reviewed. We consulted with these technical personnel and had access to their workpapers and supporting data in the course of our review. Furthermore, if in the course of our examination something came to our attention which brought into question the appropriateness of the methodologies employed, the adequacy of the data relied upon or the documentation of the reserves estimation process, additional clarification was requested from Occidental until we had satisfactorily resolved our questions relating thereto.

Methodology and Procedure Employed by Occidental for Estimating Reserves

The estimation of reserves involves two distinct determinations. The first determination results in the estimation of the quantities of recoverable oil and gas and the second determination results in the estimation of the uncertainty associated with those estimated quantities in accordance with the definitions set forth by the Securities and Exchange Commission's Regulations Part 210.4-10(a). The process of estimating the quantities of recoverable oil and gas reserves relies on the use of certain analytical procedures. These analytical procedures fall into three broad categories or methods: (1) performance-based methods; (2) volumetric-based methods; and (3) analogy. These methods may be used individually or in combination by the reserves evaluator in the process of estimating the quantities of reserves. Reserves evaluators must select the method or combination of methods which in their professional judgment is most appropriate given the nature and amount of reliable geoscience and engineering data available at the time of the estimate, the established or anticipated performance characteristics of the reservoir being evaluated and the stage of development or producing maturity of the property.

The proved reserves for the properties that we reviewed were estimated by performance methods, analogy or a combination of methods. Approximately 97 percent of the proved developed producing reserves (attributable to producing wells or reservoirs) for the properties reviewed were estimated by performance methods using decline curve analysis, which utilized extrapolations of historical production and pressure data in those cases where such data were considered to be definitive. The remaining 3 percent of the proved developed producing reserves (attributable to the producing wells or reservoirs) for the properties reviewed were estimated by type curves supported by analogs to 1) estimate those reserves where there were inadequate historical performance data to establish a definitive producing trend and 2) estimate the incremental reserves attributable to enhanced/improved oil recovery. The data used by Occidental in their analysis of the proved reserves for the producing properties reviewed by us were considered sufficient for the purpose thereof.

Approximately 41 percent of the proved developed non-producing reserves were estimated by performance methods using analogy to prior established decline trends. The remaining 59 percent of the proved developed non-producing reserves were estimated by type curves and dimensionless type curves supported by analogs. Approximately 94 percent of the proved undeveloped reserves were estimated by type curves supported by analogs. The remaining 6 percent of the proved undeveloped reserves were estimated by volumetrics and reservoir modeling. The data used by Occidental in their analysis of the non-producing and undeveloped reserves for the properties reviewed by us was considered sufficient for the purpose thereof.

Occidental uses the latest available production, new well and seismic data in its reserves estimation process. Typically, this data is from the third quarter of the year for which reserves are estimated, though material data is considered whenever it becomes available prior to finalization of reserves estimates. The data used by Occidental in their analysis of the proved reserves for the properties reviewed by us was considered sufficient for the purpose thereof.

Primary Economic Assumptions Employed by Occidental for Estimating Reserves

To estimate economically recoverable proved reserves and related future net cash flows, Occidental considered many factors and assumptions including, but not limited to, the use of reservoir parameters derived from geological, geophysical and engineering data which cannot be measured directly, economic criteria based on current costs and SEC pricing requirements, and forecasts of future production rates. Under the SEC regulations 210.4-10(a)(22)(v) and (26), proved reserves must be anticipated to be economically producible from a given date forward based on existing economic conditions including the prices and costs at which economic producibility from a reservoir is to be determined. To confirm that the proved reserves reviewed by us meet the SEC requirements to be economically producible, we have reviewed certain primary economic data utilized by Occidental relating to hydrocarbon prices and costs as noted herein.

The hydrocarbon prices in effect on December 31, 2020 for the properties reviewed were determined by Occidental using the unweighted 12-month average first-day-of-the-month benchmark prices appropriate to the geographic area where the hydrocarbons are sold and adjustments for differentials as described herein. In certain geographic areas, the price reference and benchmark prices may be defined by contractual arrangements. For hydrocarbon products sold under contract, the contract prices including fixed and determinable escalations, exclusive of inflation adjustments, were used until expiration of the contract.

The table below summarizes Occidental's net volume weighted benchmark prices adjusted for differentials for the properties reviewed by us and referred to herein as Occidental's "average realized prices." The average realized prices shown in the table below were determined from Occidental's estimate of the total future gross revenue before production taxes for the properties reviewed by us and Occidental's estimate of the total net reserves for the properties reviewed by us for the geographic area. The data shown in the table below is presented in accordance with SEC disclosure requirements for the North America geographic area reviewed by us.

Geographic Area	Product	Price Reference	Average Benchmark Prices	Average Realized Prices
North America				
United States	Oil/Condensate	WTI Cushing	\$39.57/bbl	\$36.38/bbl
	NGLs	Mt. Belvieu	\$18.74/bbl	\$10.43/bbl
	Gas	Henry Hub	\$1.98/Mmbtu	\$1.37/Mmbtu

As indicated above, the product prices that were used by Occidental to determine the future gross revenue for each property reviewed by us reflect adjustments to the benchmark prices for gravity, quality, local conditions, gathering and transportation fees and distance from market, referred to herein as "differentials." The differentials used by Occidental were accepted as factual data. We have not conducted an independent verification of the data used by Occidental.

While it may reasonably be anticipated that the future prices received for the sale of production and the operating costs and other costs relating to such production may also increase or decrease from existing levels, such changes were, in accordance with rules adopted by the SEC, omitted from consideration by Occidental in this process and omitted by us in conducting this review.

Accumulated gas production imbalances, if any, were not taken into account in the proved reserves estimates of gas reviewed. The proved gas volumes estimated by Occidental attribute gas consumed in operations as reserves for those fields where the inclusion of such volumes was appropriate.

Operating costs used by Occidental are based on the operating expense reports of Occidental and include only those costs directly applicable to the leases, contract areas and wells for the properties reviewed by us. The operating costs include a portion of general and administrative costs allocated directly to the leases, contract areas and wells. For operated properties, the operating costs include an appropriate level of corporate general administrative and overhead costs. The operating costs for non-operated properties include the Council of Petroleum Accounting Societies overhead costs that are allocated directly to the leases, contract areas and wells under terms of operating agreements. The operating costs used by Occidental were accepted as factual data and reviewed by us for their reasonableness; however, we have not conducted an independent verification of the data used by Occidental.

Development costs used by Occidental are based on authorizations for expenditure (AFE) for the proposed work or actual costs for similar projects. The development costs used by Occidental were accepted as factual data and reviewed by us for their reasonableness; however, we have not conducted an independent verification of the data used by Occidental.

The proved developed non-producing and undeveloped reserves for the properties reviewed by us were incorporated by Occidental in accordance with Occidental's plans to develop these reserves as of December 31, 2020. The implementation of Occidental's development plans as presented to us is subject to the approval process adopted by Occidental's management. As a result of our inquiries during the course of our review, Occidental has informed us that the development activities for the properties reviewed by us have been subjected to and received the internal approvals required by Occidental's management at the appropriate local, regional and corporate level. In addition to the internal approvals as noted, certain development activities may still be subject to partner AFE processes, Joint Operating Agreement requirements or other administrative approvals external to Occidental. Additionally, Occidental has informed us that they are not aware of any existing laws or regulations that would require the company to significantly alter their current development plans. While these plans could change from those under existing economic conditions as of December 31, 2020, such changes were, in accordance with rules adopted by the SEC, omitted from consideration in making this evaluation.

Future Production Rate Assumptions Employed by Occidental for Estimating Reserves

Occidental's forecasts of future production rates are based on historical performance from wells currently on production. If no production decline trend has been established, future production rates were held constant, or adjusted for the effects of curtailment where appropriate, until a decline in ability to produce was anticipated. An estimated rate of decline was then applied until depletion of the reserves. If a decline trend has been established, this trend was used as the basis for estimating future production rates.

Test data and other related information were used by Occidental to estimate the anticipated initial production rates for those wells or locations that are not currently producing. For reserves not yet on production, sales were estimated to commence at an anticipated date determined by Occidental. Wells or locations that are not currently producing may start producing earlier or later than anticipated in Occidental's estimates due to unforeseen factors causing a change in the timing to initiate production. Such factors may include delays due to weather, the availability of rigs, the sequence of drilling, completing or recompleting wells and constraints set by regulatory bodies.

The future production rates from wells currently on production or wells or locations that are not currently producing may be more or less than estimated by Occidental because of changes including, but not limited to, reservoir performance, operating conditions related to surface facilities, compression and artificial lift, pipeline capacity or other operating conditions, market demand and allowables or other constraints set by regulatory bodies.

Possible Effects of Regulation on Occidental's Estimate of Reserves

Ryder Scott did not evaluate the country and geopolitical risks in the countries where Occidental operates or has interests. Occidental's operations may be subject to various levels of governmental controls and regulations. These controls and regulations may include, but may not be limited to, matters relating to land tenure and leasing, the legal rights to produce hydrocarbons including the granting, extension or termination of production sharing contracts, the fiscal terms of various production sharing contracts, drilling and production practices, environmental protection, marketing and pricing policies, royalties, various taxes and levies including income tax and are subject to change from time to time. Such changes in governmental regulations and policies may cause volumes of proved reserves actually recovered and amounts of proved income actually received to differ significantly from the quantities estimated by Occidental as reviewed herein.

We have not made any field examination of the properties. No consideration was given in this review to potential environmental liabilities that may exist nor to any costs for the potential liabilities to restore and clean up damages, if any, caused by past operating practices.

Occidental has informed us that they are not aware of any existing laws or regulations that would materially impact their ability to recover the estimated proved reserves for the properties reviewed by us.

Data Reviewed in Conducting the Third Party Reserves Process Review

Occidental has informed us that they have furnished or otherwise made available to us all of the material accounts, records, geological and engineering data, and reports and other data required for this review. In conducting our process review of Occidental's estimates of proved reserves and forecasts of future production and income, we have reviewed data used by Occidental with respect to property interests owned or otherwise held, production and well tests from examined wells, normal direct costs of operating the wells, leases and contract areas, other costs such as transportation and processing fees, ad valorem and production taxes, recompletion and development costs, development plans, product prices based on the SEC regulations, adjustments or differentials to product prices, geological structural and isochore maps, well logs, core analyses, and pressure measurements. Ryder Scott reviewed such factual data for its reasonableness; however, we have not conducted an independent verification of the data utilized by Occidental. We consider the factual data utilized by Occidental to be appropriate and sufficient for the purpose of our review of the methods and analytical procedures utilized by the engineering and geological staff of Occidental for estimating the proved reserves volumes and preparing the economic evaluations.

Reserves Process Review Opinion

We found no bias in the utilization and analysis of data in proved reserves estimates for these properties. Furthermore, we found the estimation process incorporated all pertinent data, utilized a thorough and detailed analytical approach and was supported by a well documented audit trail.

We consider the assumptions, data, methods and analytical procedures used by Occidental and as reviewed by us appropriate for the purpose thereof, and we have used all such methods and procedures that we consider necessary and appropriate under the circumstances to render the conclusions set forth herein.

Based on our review, including the data, technical processes and interpretations presented by Occidental, it is our opinion that the overall procedures and methodologies utilized by Occidental in estimating the proved reserves volumes, documenting the changes in reserves from prior estimates, preparing the economic evaluations and determining the reserves classifications for the reviewed properties comply with the SEC regulations as of December 31, 2020. Ryder Scott has not been engaged to render an opinion as to the reasonableness of the proved reserves quantities reported by Occidental.

Standards of Independence and Professional Qualification

Ryder Scott is an employee-owned independent petroleum engineering consulting firm. We do not serve as officers or directors of any privately-owned or publicly-traded oil and gas company and are separate and independent from the operating and investment decision-making process of our clients. No single client or job represents a material portion of our annual revenue. These factors allow us to maintain our independence and objectivity in the performance of our services.

Ryder Scott requires that staff engineers and geoscientists receive professional accreditation in the form of a registered or certified professional engineer's license or a registered or certified professional geoscientist's license, or the equivalent thereof, from an appropriate governmental authority or a recognized self-regulating professional organization.

We are independent petroleum engineers with respect to Occidental. Neither we nor any of our employees have any financial interest in the subject properties and neither the employment to do this work nor the compensation is contingent on the results of our review.

The results of the reserves process review, presented herein, are based on technical analysis conducted by teams of geoscientists and engineers from Ryder Scott. The professional qualifications of the undersigned, the technical person primarily responsible for overseeing the review of the reserves information discussed in this report, are included as an attachment to this letter.

Terms of Usage

The results of our third party reserves process review, presented in report form herein, were prepared in accordance with the disclosure requirements set forth in the SEC regulations and are intended for public disclosure as an exhibit in filings made with the SEC by Occidental.

Occidental makes periodic filings on Form 10-K with the SEC under the 1934 Exchange Act. Furthermore, Occidental has certain registration statements filed with the SEC under the 1933 Securities Act into which any subsequently filed Form 10-K is incorporated by reference. We have consented to the incorporation by reference in the registration statements on Form S-3 and Form S-8 of Occidental of the references to our name as well as to the references to our third party report for Occidental, which appear in the December 31, 2020 annual report on Form 10-K of Occidental, the inclusion in that Form 10-K of such references and the filing of such report as an exhibit to such Form 10-K. Our written consent for such use is included as a separate exhibit to the filings made with the SEC by Occidental.

We have provided Occidental with a digital version of the original signed copy of this report letter. In the event there are any differences between the digital version included in filings made by Occidental and the original signed report letter, the original signed report letter shall control and supersede the digital version.

The data and work papers used in the preparation of this report are available for examination by authorized parties in our offices. Please contact us if we can be of further service.

Very truly yours,

RYDER SCOTT COMPANY, L.P.
TBPE Firm Registration No. F-1580

/s/ Guale Ramirez

Guale Ramirez, P.E.
TBPE License No. 48318
President

[SEAL]

GR/pl

Professional Qualifications of Primary Technical Person

The conclusions presented in this report are the result of technical analysis conducted by teams of geoscientists and engineers from Ryder Scott Company, L.P. Gualo Ramirez was the primary technical person responsible for overseeing the estimate of the reserves, future production and income.

Mr. Ramirez, an employee of Ryder Scott Company, L.P. (Ryder Scott) since 1981, is the President and also serves as a member of the Board of Directors. He is responsible for executive management and supervising staff and client relations of the company. Before joining Ryder Scott, Mr. Ramirez served in a number of engineering positions with Sun Oil Company and Natomas North America. For more information regarding Mr. Ramirez's geographic and job specific experience, please refer to the Ryder Scott Company website at www.ryderscott.com/Company/Employees.

Mr. Ramirez earned a Bachelor of Science Degree in Mechanical Engineering with honors from Texas A&M University in 1976 and is a licensed Professional Engineer in the State of Texas. He is also a member of the Society of Petroleum Engineers and Society of Petroleum Evaluation Engineers.

In addition to gaining experience and competency through prior work experience, the Texas Board of Professional Engineers requires a minimum of fifteen hours of continuing education annually, including at least one hour in the area of professional ethics, which Mr. Ramirez fulfills. As part of his 2020 continuing education hours, Mr. Ramirez attended and internally received 33 hours of formalized training as well as a half day public forum, the 2020 RSC Reserves Conference relating to the definitions and disclosure guidelines contained in the United States Securities and Exchange Commission Title 17, Code of Federal Regulations, Modernization of Oil and Gas Reporting, Final Rule released January 14, 2009 in the Federal Register. Mr. Ramirez has also presented courses on the SEC and SPE-PRMS reserves definitions on various occasions during 2011, 2012, 2013, 2015, 2017, 2018 and 2020.

Based on his educational background, professional training and more than 38 years of practical experience in the estimation and evaluation of petroleum reserves, Mr. Ramirez has attained the professional qualifications as a Reserves Estimator and Reserves Auditor set forth in Article III of the "Standards Pertaining to the Estimating and Auditing of Oil and Gas Reserves Information" promulgated by the Society of Petroleum Engineers as of June 2019.

PETROLEUM RESERVES DEFINITIONS

**As Adapted From:
RULE 4-10(a) of REGULATION S-X PART 210
UNITED STATES SECURITIES AND EXCHANGE COMMISSION (SEC)**

PREAMBLE

On January 14, 2009, the United States Securities and Exchange Commission (SEC) published the "Modernization of Oil and Gas Reporting; Final Rule" in the Federal Register of National Archives and Records Administration (NARA). The "Modernization of Oil and Gas Reporting; Final Rule" includes revisions and additions to the definition section in Rule 4-10 of Regulation S-X, revisions and additions to the oil and gas reporting requirements in Regulation S-K, and amends and codifies Industry Guide 2 in Regulation S-K. The "Modernization of Oil and Gas Reporting; Final Rule", including all references to Regulation S-X and Regulation S-K, shall be referred to herein collectively as the "SEC regulations". The SEC regulations take effect for all filings made with the United States Securities and Exchange Commission as of December 31, 2009, or after January 1, 2010. Reference should be made to the full text under Title 17, Code of Federal Regulations, Regulation S-X Part 210, Rule 4-10(a) for the complete definitions (direct passages excerpted in part or wholly from the aforementioned SEC document are denoted in italics herein).

Reserves are estimated remaining quantities of oil and gas and related substances anticipated to be economically producible, as of a given date, by application of development projects to known accumulations. All reserve estimates involve an assessment of the uncertainty relating the likelihood that the actual remaining quantities recovered will be greater or less than the estimated quantities determined as of the date the estimate is made. The uncertainty depends chiefly on the amount of reliable geologic and engineering data available at the time of the estimate and the interpretation of these data. The relative degree of uncertainty may be conveyed by placing reserves into one of two principal classifications, either proved or unproved. Unproved reserves are less certain to be recovered than proved reserves and may be further sub-classified as probable and possible reserves to denote progressively increasing uncertainty in their recoverability. Under the SEC regulations as of December 31, 2009, or after January 1, 2010, a company may optionally disclose estimated quantities of probable or possible oil and gas reserves in documents publicly filed with the SEC. The SEC regulations continue to prohibit disclosure of estimates of oil and gas resources other than reserves and any estimated values of such resources in any document publicly filed with the SEC unless such information is required to be disclosed in the document by foreign or state law as noted in §229.1202 Instruction to Item 1202.

Reserves estimates will generally be revised only as additional geologic or engineering data become available or as economic conditions change.

Reserves may be attributed to either natural energy or improved recovery methods. Improved recovery methods include all methods for supplementing natural energy or altering natural forces in the reservoir to increase ultimate recovery. Examples of such methods are pressure maintenance, natural gas cycling, waterflooding, thermal methods, chemical flooding, and the use of miscible and immiscible displacement fluids. Other improved recovery methods may be developed in the future as petroleum technology continues to evolve.

Reserves may be attributed to either conventional or unconventional petroleum accumulations. Petroleum accumulations are considered as either conventional or unconventional based on the nature of their in-place characteristics, extraction method applied, or degree of processing prior to sale.

Examples of unconventional petroleum accumulations include coalbed or coalseam methane (CBM/CSM), basin-centered gas, shale gas, gas hydrates, natural bitumen and oil shale deposits. These unconventional accumulations may require specialized extraction technology and/or significant processing prior to sale.

Reserves do not include quantities of petroleum being held in inventory.

Because of the differences in uncertainty, caution should be exercised when aggregating quantities of petroleum from different reserves categories.

RESERVES (SEC DEFINITIONS)

Securities and Exchange Commission Regulation S-X §210.4-10(a)(26) defines reserves as follows:

Reserves. *Reserves are estimated remaining quantities of oil and gas and related substances anticipated to be economically producible, as of a given date, by application of development projects to known accumulations. In addition, there must exist, or there must be a reasonable expectation that there will exist, the legal right to produce or a revenue interest in the production, installed means of delivering oil and gas or related substances to market, and all permits and financing required to implement the project.*

Note to paragraph (a)(26): Reserves should not be assigned to adjacent reservoirs isolated by major, potentially sealing, faults until those reservoirs are penetrated and evaluated as economically producible. Reserves should not be assigned to areas that are clearly separated from a known accumulation by a non-productive reservoir (i.e., absence of reservoir, structurally low reservoir, or negative test results). Such areas may contain prospective resources (i.e., potentially recoverable resources from undiscovered accumulations).

PROVED RESERVES (SEC DEFINITIONS)

Securities and Exchange Commission Regulation S-X §210.4-10(a)(22) defines proved oil and gas reserves as follows:

Proved oil and gas reserves. *Proved oil and gas reserves are those quantities of oil and gas, which, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be economically producible—from a given date forward, from known reservoirs, and under existing economic conditions, operating methods, and government regulations—prior to the time at which contracts providing the right to operate expire, unless evidence indicates that renewal is reasonably certain, regardless of whether deterministic or probabilistic methods are used for the estimation. The project to extract the hydrocarbons must have commenced or the operator must be reasonably certain that it will commence the project within a reasonable time.*

(i) *The area of the reservoir considered as proved includes:*

(A) *The area identified by drilling and limited by fluid contacts, if any, and*

(B) *Adjacent undrilled portions of the reservoir that can, with reasonable certainty, be judged to be continuous with it and to contain economically producible oil or gas on the basis of available geoscience and engineering data.*

(ii) *In the absence of data on fluid contacts, proved quantities in a reservoir are limited by the lowest known hydrocarbons (LKH) as seen in a well penetration unless geoscience, engineering, or performance data and reliable technology establishes a lower contact with reasonable certainty.*

(iii) Where direct observation from well penetrations has defined a highest known oil (HKO) elevation and the potential exists for an associated gas cap, proved oil reserves may be assigned in the structurally higher portions of the reservoir only if geoscience, engineering, or performance data and reliable technology establish the higher contact with reasonable certainty.

(iv) Reserves which can be produced economically through application of improved recovery techniques (including, but not limited to, fluid injection) are included in the proved classification when:

(A) Successful testing by a pilot project in an area of the reservoir with properties no more favorable than in the reservoir as a whole, the operation of an installed program in the reservoir or an analogous reservoir, or other evidence using reliable technology establishes the reasonable certainty of the engineering analysis on which the project or program was based; and

(B) The project has been approved for development by all necessary parties and entities, including governmental entities.

(v) Existing economic conditions include prices and costs at which economic producibility from a reservoir is to be determined. The price shall be the average price during the 12-month period prior to the ending date of the period covered by the report, determined as an unweighted arithmetic average of the first-day-of-the-month price for each month within such period, unless prices are defined by contractual arrangements, excluding escalations based upon future conditions.

RYDER SCOTT COMPANY PETROLEUM CONSULTANTS

PETROLEUM RESERVES STATUS DEFINITIONS AND GUIDELINES

As Adapted From:
RULE 4-10(a) of REGULATION S-X PART 210
UNITED STATES SECURITIES AND EXCHANGE COMMISSION (SEC)

and

2018 PETROLEUM RESOURCES MANAGEMENT SYSTEM (SPE-PRMS)

Sponsored and Approved by:
SOCIETY OF PETROLEUM ENGINEERS (SPE)
WORLD PETROLEUM COUNCIL (WPC)
AMERICAN ASSOCIATION OF PETROLEUM GEOLOGISTS (AAPG)
SOCIETY OF PETROLEUM EVALUATION ENGINEERS (SPEE)
SOCIETY OF EXPLORATION GEOPHYSICISTS (SEG)
SOCIETY OF PETROPHYSICISTS AND WELL LOG ANALYSTS (SPWLA)
EUROPEAN ASSOCIATION OF GEOSCIENTISTS & ENGINEERS (EAGE)

Reserves status categories define the development and producing status of wells and reservoirs. Reference should be made to Title 17, Code of Federal Regulations, Regulation S-X Part 210, Rule 4-10(a) and the SPE-PRMS as the following reserves status definitions are based on excerpts from the original documents (direct passages excerpted from the aforementioned SEC and SPE-PRMS documents are denoted in italics herein).

DEVELOPED RESERVES (SEC DEFINITIONS)

Securities and Exchange Commission Regulation S-X §210.4-10(a)(6) defines developed oil and gas reserves as follows:

Developed oil and gas reserves are reserves of any category that can be expected to be recovered:

- i. *Through existing wells with existing equipment and operating methods or in which the cost of the required equipment is relatively minor compared to the cost of a new well; and*
- ii. *Through installed extraction equipment and infrastructure operational at the time of the reserves estimate if the extraction is by means not involving a well.*

Developed Producing (SPE-PRMS Definitions)

While not a requirement for disclosure under the SEC regulations, developed oil and gas reserves may be further sub-classified according to the guidance contained in the SPE-PRMS as Producing or Non-Producing.

Developed Producing Reserves

Developed Producing Reserves are expected quantities to be recovered from completion intervals that are open and producing at the effective date of the estimate.

Improved recovery reserves are considered producing only after the improved recovery project is in operation.

Developed Non-Producing

Developed Non-Producing Reserves include shut-in and behind-pipe Reserves.

Shut-In

Shut-in Reserves are expected to be recovered from:

1. *completion intervals that are open at the time of the estimate but which have not yet started producing;*
2. *wells which were shut-in for market conditions or pipeline connections; or*
3. *wells not capable of production for mechanical reasons.*

Behind-Pipe

Behind-pipe Reserves are expected to be recovered from zones in existing wells that will require additional completion work or future re-completion before start of production with minor cost to access these reserves.

In all cases, production can be initiated or restored with relatively low expenditure compared to the cost of drilling a new well.

UNDEVELOPED RESERVES (SEC DEFINITIONS)

Securities and Exchange Commission Regulation S-X §210.4-10(a)(31) defines undeveloped oil and gas reserves as follows:

Undeveloped oil and gas reserves are reserves of any category that are expected to be recovered from new wells on undrilled acreage, or from existing wells where a relatively major expenditure is required for recompletion.

- i. *Reserves on undrilled acreage shall be limited to those directly offsetting development spacing areas that are reasonably certain of production when drilled, unless evidence using reliable technology exists that establishes reasonable certainty of economic producibility at greater distances.*
- ii. *Undrilled locations can be classified as having undeveloped reserves only if a development plan has been adopted indicating that they are scheduled to be drilled within five years, unless the specific circumstances, justify a longer time.*
- iii. *Under no circumstances shall estimates for undeveloped reserves be attributable to any acreage for which an application of fluid injection or other improved recovery technique is contemplated, unless such techniques have been proved effective by actual projects in the same reservoir or an analogous reservoir, as defined in paragraph (a)(2) of this section, or by other evidence using reliable technology establishing reasonable certainty.*