

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  
**For the fiscal year ended December 31, 2021**

Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934  
**For the transition period from \_\_\_\_\_ to \_\_\_\_\_**

Commission File Number 1-9210

**Occidental Petroleum Corporation**

(Exact name of registrant as specified in its charter)

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 \$29.2 billion computed by reference to the closing price on the New York Stock Exchange of \$31.27 per share of Common Stock on June 30, 2021.

As of January 31, 2022, there were 934,063,989 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 2022 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.

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## GENERAL

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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 (which includes condensate), natural gas liquids (NGL) and natural gas. The chemical segment (OxyChem) primarily manufactures and markets basic chemicals and vinyls. The midstream and marketing segment purchases, markets, gathers, processes, transports and stores oil (which includes condensate), NGL, natural gas, carbon dioxide (CO<sub>2</sub>) and power. It also optimizes its 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 Occidental’s low carbon ventures (OLCV) businesses. OLCV seeks to leverage Occidental’s legacy of carbon management expertise to develop carbon capture, utilization and storage (CCUS) projects, including the commercialization of direct air capture (DAC) technology, and invests in other low-carbon technologies intended to reduce greenhouse gas (GHG) emissions from our operations and strategically partner with other industries to help reduce their 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 16 - Industry Segments and Geographic Areas](#) in the Notes to Consolidated Financial Statements in Part II Item 8 of this Form 10-K.

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## HUMAN CAPITAL RESOURCES

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Occidental’s culture is built upon the following core values, and our employees are evaluated relative to these values:

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

With this foundation, Occidental’s human capital resources and programs are managed by our human resources department, with support from business leaders across the company. Occidental’s senior management team plays a key role in setting and monitoring Occidental’s culture, values and broader human capital management practices, with oversight by our Board of Directors. Senior management and the Board of Directors also engage frequently on workforce-related topics.

### DIVERSITY, INCLUSION AND BELONGING

Occidental’s culture of diversity, inclusion and belonging (DIB) supports an environment where employees’ differences are not only appreciated, but also celebrated and encouraged, with the goal that all employees are included and everyone feels that they belong. Occidental conducted a robust survey across the organization in 2020, the results of which were reviewed with our Board of Directors and became a basis for our company’s core values.



Occidental's human capital resources extend across several regions. Occidental has attracted, and continues to recruit, a diverse workforce of exceptional talent, including employees from many nations. This diversity enriches our culture, our employees' experiences on the job and contributes to an innovative and effective business model that encourages local communities to thrive. DIB powers our innovation and spirit of excellence, as well as our knowledge and results. Embedding DIB into our culture enhances Occidental's collaboration, performance and growth and helps uphold our organizational values.

In the first quarter of 2021, Occidental established the DIB Advisory Board and the DIB Ambassador Committee. The DIB Advisory Board, which is chaired by Occidental's President and CEO and includes members of senior leadership, provides DIB governance and oversight to ensure that Occidental's integrated DIB strategy is executed and properly aligns with the organization's mission, vision and strategic objectives. The DIB Ambassador Committee, which is chaired by Occidental's Vice President of Diversity and Inclusion, consists of a diverse group of employee representatives from all business segments, domestic and international. This committee leads company-wide initiatives to raise DIB awareness through educational resources and programs. Robust educational sessions are available to our entire workforce for continued growth and development on topics such as inclusive leadership, diversity advocacy, recognizing and addressing micro aggressions, overcoming unconscious bias and psychological safety at work.

Occidental's senior management, together with the support of Occidental's DIB Advisory Board and the DIB Ambassador Committee, works to leverage employees' varied backgrounds, unique experiences and points of view to spark innovation, empower growth, outperform expectations and maximize results. In October 2021, Occidental's DIB team hosted its inaugural company-wide DIB live event.

## COVID-19 RESPONSE

Occidental and the communities in which we operate continue to be impacted by the ongoing effects of the COVID-19 pandemic and emergence and spread of new variants of the virus. Throughout the pandemic, Occidental has remained committed to ensuring the safety of our employees and communities while continuing to operate critical national infrastructure and supply essential products.

Senior management and the Human Resources department have been actively monitoring federal, state and local guidance and public health data. In March 2020, Occidental announced a work-from-home (WFH) program for certain domestic office-based employees. On November 2, 2021, employees returned to in-office work on a regular basis with COVID-19 safety measures in place, including a mandatory face covering requirement in common areas and enhanced office cleanings. However, given the surge in COVID-19 cases with the Omicron variant, Occidental announced the re-implementation of a WFH schedule for certain domestic office-based employees effective December 21, 2021, through March 1, 2022.

Understanding the impact of COVID-19 illnesses on our employees and their families, Occidental also instituted "pandemic pay" benefits, which provide employees with up to 14 days of paid leave if unable to work due to COVID-19 related issues.

## TALENT ATTRACTION AND RETENTION

Occidental is dedicated to attracting and retaining top talent. In 2021, Occidental expanded source channels for employee candidates to include three historically black colleges and universities.

During COVID-19 outbreaks in our local communities, Occidental also efficiently conducted interviews, job fairs and campus recruiting virtually. Similarly, all college interns participated in virtual internships for health and safety reasons during 2020 and 2021. For 2022, our university relations team will work with universities and their staff to ensure that any in-person interviews and events are conducted safely. In addition, all college internships are currently set to be in-person later this year though we will continue to monitor federal, state and local guidance and public health data.

Despite the challenges introduced by COVID-19 to interact in-person with others, management continues to encourage employee engagement and feedback. For example, in late 2020, senior management began hosting Quarterly Executive Virtual Conversations, which provide employees the opportunity to hear directly from leadership regarding financial and operational updates and submit questions for management to answer.

In response to employee feedback received by the Human Resources department, Occidental implemented the Balanced Workplace Program under which eligible office-based employees may opt to work three days in the office and two days at home each week. The program affords employees more flexibility and promotes increased work/life balance.

In 2021, Occidental implemented its global Strategic Technical Excellence Program (STEP) to recruit, develop and retain highly skilled and valued geoscientists, engineers, scientists and other petrotechnical professionals who will collectively drive innovation, advance performance and inspire the future of energy. STEP drives a competitive advantage and increased profitability for Occidental through the optimum application of technology; STEP is a highly valued program for technical contributors to focus and advance on a technical, non-managerial career path. The Chief Petrotechnical Officer leads all aspects of STEP and reports directly to Occidental's President and CEO.

Occidental also offers employees development opportunities, competitive compensation and attractive benefits, as discussed further below.



## DEVELOPMENT AND TRAINING

Occidental employees have access to extensive development and training opportunities and programs to expand their personal and professional skills and knowledge. Occidental's approach to education includes:

- Leadership/management training to develop leadership skills at all levels;
- Self-directed learning and development, including web-based and instructor-led training;
- An employee development library;
- Mentoring programs;
- Employee resource groups; and
- Educational assistance to support employees' continuing education.

## EMPLOYEE COMPENSATION AND BENEFITS

In addition to prioritizing employee engagement and development, Occidental's compensation and benefits program is designed to attract and retain the talent necessary to achieve our business strategy. Our program recognizes and rewards strong company and individual performance with competitive base salaries, short-term performance incentives consisting of an annual bonus program and recognition awards, long-term performance incentives and advancement opportunities. Our compensation and benefits program is routinely reviewed and benchmarked to ensure competitiveness and to provide the benefits that matter most to current and future employees.

Occidental strives to give employees the tools and resources they need to succeed both professionally and personally and foster a safe and collaborative work environment. To that end, Occidental offers, and regularly evaluates, its comprehensive health, welfare and retirement and savings benefits plans, professional memberships, work/life balance benefits and provides programs to enhance and support employees' overall well-being, including their physical, mental, social and financial health.

In 2021, Occidental launched a global Commit to You program to educate employees and leaders about how our benefits can support them under the four pillars of well-being: mental, physical, social and financial. Occidental also joined One Mind at Work, an employer coalition dedicated to implementing a gold standard for workplace mental health by combating stigma, improving access to treatment and prevention services and fostering a psychologically safe culture. In 2022, Occidental will focus on mental health and continue focusing programs and education to train leaders and support employees around the area of mental health and well-being. In January 2022, Occidental introduced a new benefit service provider that provides a health care concierge service to help families manage and navigate medical, in-home care, housing, and social/emotional support, for their own or their families' complex care needs.

## HEALTH AND SAFETY

The health and safety of our workforce and communities is a top priority of Occidental. Under our LiveSAFE culture, Occidental endeavors to continuously improve our workplace and contractor safety, prevent and mitigate incidents, and safeguard people and the environment in the communities where we operate. Employees and contractors are empowered and expected to uphold the LiveSAFE commitments, including to stop any job or activity if they observe conditions that may give rise to a safety or environmental incident, and they are often recognized for doing so.

## WORKFORCE COMPOSITION

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

	North America	Middle East	Latin America	Other <sup>(a)</sup>	Total <sup>(b)</sup>
Union	423	800	50	—	1,273
Non-Union	7,679	2,499	114	113	10,405
Total	8,102	3,299	164	113	11,678

<sup>(a)</sup> Other headcount includes North Africa, Europe and Asia.

<sup>(b)</sup> Includes approximately 2,800 employees in OxyChem.



The below table approximates the self-reported gender and ethnicity, excluding non-specified ethnicities, of Occidental's domestic leadership and other employees. Executive and senior officials and managers are considered top leadership while first- and mid-level officials and managers are considered junior leadership. Individual contributors are excluded from the leadership categories but included in all employee percentages:

	<b>Male</b>	<b>Female</b>	<b>White</b>	<b>non-White</b>
All employees	78 %	22 %	67 %	33 %
All leadership	79 %	21 %	77 %	23 %
Top leadership	84 %	16 %	86 %	14 %
Junior leadership	79 %	21 %	76 %	24 %

We have also publicly disclosed the Consolidated EEO-1 Report that Occidental submitted in 2021 to the U.S. Equal Employment Opportunity Commission for the 2020 fiscal year, which can be found on the sustainability section of our website.

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## AVAILABLE INFORMATION

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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](http://www.oxy.com), as soon as reasonably practicable after Occidental electronically files the material with, or furnishes it to, the U.S. 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 primarily conducts its ongoing exploration and production activities in the United States, the Middle East and North Africa. Within the United States, Occidental has operations in Texas, New Mexico and Colorado, as well as offshore in the Gulf of Mexico. Internationally, Occidental primarily conducts operations in Oman, United Arab Emirates (UAE) and Algeria. 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, NGL and natural gas, Occidental competes with numerous other domestic and international public, private and government producers. Oil, NGL and natural gas are sensitive to prevailing global and local market conditions, as well as 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 enhanced oil recovery (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, sustainably and cost-effectively, maintain a skilled workforce and obtain quality services. We believe that Occidental's core competencies in CO<sub>2</sub> separation, transportation, use, recycling and storage in EOR provide a competitive advantage over our peers as the world transitions to a lower carbon intensive economy and seeks to remove CO<sub>2</sub> from the atmosphere.

### 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 is in millions of barrels (MMbbl); natural gas is in billions of cubic feet (Bcf).

	2021				2020				2019			
	Oil	NGL	Gas	Boe <sup>(a)</sup>	Oil	NGL	Gas	Boe <sup>(a)</sup>	Oil	NGL	Gas	Boe <sup>(a)</sup>
<b>Proved Reserves<sup>(b,c)</sup></b>												
United States	1,466	564	3,419	2,600	1,144	384	2,446	1,936	1,570	540	4,128	2,798
International	305	202	2,431	912	331	215	2,573	975	469	208	2,572	1,106
<b>Total</b>	<b>1,771</b>	<b>766</b>	<b>5,850</b>	<b>3,512</b>	<b>1,475</b>	<b>599</b>	<b>5,019</b>	<b>2,911</b>	<b>2,039</b>	<b>748</b>	<b>6,700</b>	<b>3,904</b>
<b>Sales Volumes<sup>(c)</sup></b>												
United States	182	79	477	341	205	81	561	380	155	52	326	261
International	44	12	172	85	59	13	195	104	64	13	204	111
<b>Total</b>	<b>226</b>	<b>91</b>	<b>649</b>	<b>426</b>	<b>264</b>	<b>94</b>	<b>756</b>	<b>484</b>	<b>219</b>	<b>65</b>	<b>530</b>	<b>372</b>

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

<sup>(b)</sup> 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.

<sup>(c)</sup> Excludes reserves and sales volumes related to Occidental's discontinued operations.



## CHEMICAL OPERATIONS

### GENERAL

OxyChem owns and operates manufacturing plants at 21 domestic sites in Alabama, Georgia, Illinois, Kansas, Louisiana, Michigan, New Jersey, 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 2021 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
<b>Basic Chemicals</b>		
Chlorine	Raw material for ethylene dichloride (EDC), water treatment and pharmaceuticals	3.2 million tons
Caustic soda	Pulp, paper and aluminum production	3.3 million tons
Chlorinated organics	Refrigerants <sup>(a)</sup> , 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
<b>Vinyls</b>		
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	1.3 billion pounds <sup>(b)</sup>

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

<sup>(b)</sup> 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 optimize the use of its gathering, processing, transportation, storage and terminal commitments and to provide 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, such as WES and Dolphin Energy Limited (DEL), which are accounted for as equity method investments. WES owns gathering systems, plants and pipelines and earns revenue from fee-based and service-based contracts with Occidental and third parties. DEL owns and operates a pipeline that connects its gas processing and compression plant in Qatar and its receiving facilities in the UAE, and uses its network of DEL-owned and other existing leased pipelines to supply natural gas across the UAE and to Oman. The midstream and marketing segment also includes OLCV businesses.

### LOW-CARBON BUSINESS

Leveraging Occidental's carbon management expertise, OLCV primarily focuses on advancing carbon removal and CCUS projects, including developing and commercializing DAC technology. OLCV also invests in third-party entities that are developing technologies that advance other low-carbon initiatives.

### 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, 2021:

Location	Description	Capacity <sup>(a)</sup>
<b>Gas Plants</b>		
Texas, New Mexico and Colorado	Occidental and third-party-operated natural gas/CO <sub>2</sub> gathering, compression and processing systems	2.9 Bcf/d
Texas, Rocky Mountains and Other	Equity investment in WES - gas processing facilities	5.0 Bcf/d
UAE	Natural gas processing facilities for Al Hosn Gas	1.3 Bcf/d
<b>Pipelines and Gathering Systems</b>		
Texas, New Mexico and Colorado	CO <sub>2</sub> fields and pipeline systems transporting CO <sub>2</sub> to oil and gas producing locations	2.8 Bcf/d
Qatar, UAE and Oman	Equity investment in the DEL natural gas pipeline	3.2 Bcf/d
United States	Equity investment in WES involved in gathering and transportation	15,389 miles of pipeline
<b>Power Generation</b>		
Texas and Louisiana	Occidental-operated power and steam generation facilities	1,218 megawatts of electricity and 1.6 million pounds of steam per hour
<b>OLCV</b>		
Texas	Occidental-owned solar generation facility	16.8 megawatts of electricity
Texas	Equity investment in a zero-emission natural gas generation demonstration facility	up to 50 megawatts of electricity
Canada	Equity investment in developing DAC technology, which captures CO <sub>2</sub> directly from the atmosphere	

<sup>(a)</sup> Amounts are gross, including interests held by third parties. Gas capacities are expressed in billions of cubic feet per day (Bcf/d)

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## ENVIRONMENTAL REGULATION

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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 government regulations and the environment

*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 disrupted global supply chains and created significant volatility in the financial markets. While the worldwide economy continues to be impacted by the ongoing effects of the COVID-19 pandemic and emergence and spread of new variants of the virus, demand for oil and gas products has increased with the lifting of certain restrictions, including certain travel restrictions and stay-at-home orders. Current crude oil, NGL and natural gas demand and prices could be negatively impacted by a resurgence of COVID-19 cases, slow vaccine distribution in certain large international economies or the recurrence or tightening of travel restrictions and stay-at-home orders. If reduced demand for and lower 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, or work effectively, including because of illness, quarantines, government actions, vaccine mandates or other restrictions in connection with the pandemic. As a result of higher vaccination rates and lower infection rates in 2021 we lifted certain workplace restrictions implemented in the initial stages of the pandemic and implemented new workplace safety protocols and procedures in our offices and work sites to help mitigate the spread of COVID-19 amongst our workforce. We continue to monitor national, state and local government directives where we have operations and/or offices and have reinstated a WFH schedule effective December 21, 2021, through March 1, 2022, for certain domestic office-based employees in light of the Omicron variant. Occidental has not experienced any significant disruptions as a result of any new COVID-19 variants. 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.

*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 international 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 and 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, air emissions, water recycling and disposal, waste minimization and disposal, safety, the manufacturing of chemicals, asset integrity management, the marketing or export of commodities, security, environmental protection, and climate change-related and sustainability initiatives, 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.



In November 2021, Congress passed and President Biden signed the Infrastructure Investment and Jobs Act. This law reinstates the federal Superfund excise taxes on various chemicals that OxyChem manufactures. These excise taxes could lead to higher costs and impact margins.

In November 2021, the House of Representatives passed the Build Back Better Act (BBB), which contains several climate-related provisions. While the BBB was not enacted in 2021, renewed efforts are expected in 2022 to legislate BBB or portions thereof. Provisions, if any, that reduce demand for oil and gas could negatively affect Occidental's revenue.

In November 2021, the U.S. Department of the Interior (DOI) released its Report on the Federal Oil and Gas Leasing Program, recommending increasing royalty rates and rents for drilling programs on federal public lands and in federal offshore waters, in addition to prioritizing leasing in areas with known resource potential and in proximity to existing oil and gas infrastructure and avoiding leasing in areas with competing uses such as recreation, wildlife habitat, conservation and historical and cultural resources. If enacted, the regulations could increase royalties payable to the federal government and limit future potential drilling sites.

In January 2022, the U.S. District Court for the District of Columbia issued a decision to invalidate the results of Bureau of Ocean Energy Management's oil and gas lease sale in the Gulf of Mexico, of which Occidental was the high bidder on 30 additional new blocks located nearby to its existing host platforms, ruling that the environmental analysis of GHG emissions was inadequate under the National Environmental Policy Act (NEPA). The DOI, which oversees federal oil and gas development, is currently reviewing the decision. The decision does not affect Occidental's existing leases or operations, but restrictions or uncertainty regarding federal lease sales and associated NEPA requirements could impact the ability to develop resources in areas outside of existing leases.

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. Occidental has a dedicated, multidisciplinary stakeholder relations team that conducts regulatory and community outreach with respect to its permit applications and operations in Colorado. While Occidental has not been denied any permits, and received its first approved Oil and Gas Development Plan permit under the new state regulations in the fourth quarter of 2021, any significant delays could result in changes to our development program in the DJ Basin and our ability to establish new proved undeveloped (PUD) locations by meeting the SEC's "reasonably certain" threshold for adding PUD reserves.

Texas and New Mexico have experienced an increase in seismic activity, with events measuring magnitude 3 or greater in each state. In the fourth quarter of 2021, both states issued new guidelines for operators to prevent or mitigate seismic activity, focused on produced water disposal wells. These guidelines also require operators to implement response plans for activities within agency-designated seismic response areas. These states have curtailed water disposal and suspended permits in seismic response areas, particularly in deep disposal wells. Occidental does not operate deep disposal wells in the seismic response areas established by the state agencies to date, and its shallow disposal wells have been authorized to operate at agency-approved volume limits. Occidental also has central water treatment and recycling facilities that reduce the need for disposal of produced water. While Occidental's ability to drill and complete wells or to dispose of surplus produced water has not been impacted by these seismic guidelines to date, increased seismicity, or regulatory responses to seismic events, could impact the location, timing and cost of Occidental's development program and existing operations in seismic response areas.

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, Organization of the Petroleum Exporting Countries (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.

***Climate change and further regulation of GHG and other air emissions may adversely affect Occidental's operations or results.***

Continuing political, social and industry attention to climate change has resulted in both existing and pending international agreements and national, regional and local legislation and regulatory programs to reduce GHG emissions. In December 2009, the Environmental Protection Agency (EPA) determined that CO<sub>2</sub>, methane and other GHG emissions endanger public health and the environment because they contribute to warming of the Earth's atmosphere and other climatic changes. Based on these findings, the EPA began adopting and implementing regulations to restrict GHG emissions under existing provisions of the Clean Air Act. The EPA issued regulations in 2012 and 2016 to address methane and volatile organic compound (VOC) emissions from certain new or modified oil and gas sources, the methane provisions of which were rescinded by the Trump Administration's 2020 methane policy rule. The Biden Administration has identified climate change as a priority and has identified a variety of avenues to prohibit or restrict oil and gas development activities in certain areas. In June 2021, Congress and President Biden rescinded the 2020 policy rule under the Congressional Review Act, reinstating the methane provisions of EPA's 2012 and 2016 regulations, an action that Occidental supported. In November 2021, the White House Office of Domestic Climate Policy issued a U.S. Methane Emissions Reduction Action Plan that solicited public comment on the EPA's proposed framework for expanding federal regulations. The proposal would regulate



methane and VOC emissions from a broader set of new upstream and midstream operations, as well as various existing operations. The EPA is expected to issue proposed regulations in 2022 based on this framework.

Several state governments have also established rules aimed at reducing GHG emissions, some including GHG cap and trade programs and others directly regulating equipment that emits GHG, including methane, and other compounds. 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. Other U.S. states where Occidental operates, including Colorado, New Mexico and Texas, adopted or proposed new regulations, policies or strategies in 2021 that increase inspection, recordkeeping, reporting, enforcement and controls on flaring, venting and equipment that emit methane and other compounds at oil and gas facilities. In certain instances, these states anticipate tying the processing and active status of oil and gas permits, including drilling permits, to air emissions and compliance. For example, Colorado has established GHG intensity targets for DJ Basin operators in 2025, 2027 and 2030, which Occidental currently meets.

These and other government actions relating to GHG and other air emissions could require Occidental to incur increased operating and maintenance costs including higher rates charged by service providers, costs to purchase, operate and maintain 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 GHG emissions 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, certainty and scope of such government actions and their ultimate effect on Occidental, which could depend on, among other things, the type and extent of GHG emissions 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 political actors and other stakeholders, promoting divestment of fossil fuel equities, reducing access to capital markets and pressuring lenders to limit funding or increase the cost of lending to companies engaged in the extraction of fossil fuel reserves. Additionally, institutional lenders who provide financing to oil and gas companies have become more attentive to sustainable lending practices, and some of them may substantially reduce, or elect not to provide, funding for oil and gas companies. Such environmental initiatives aimed at limiting climate change and reducing air pollution could adversely affect our business activities, operations and ability to access capital, and 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's businesses may experience catastrophic events.*

The occurrence of severe weather events such as hurricanes, floods, freezes and heat waves, droughts, earthquakes or other acts of nature, pandemics, well blowouts, fires, explosions, pipeline ruptures, chemical releases, oil releases, including maritime releases, releases into navigable waters and groundwater contamination, material or mechanical failure, power outages, industrial accidents, physical or cyber 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 severe 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, fines and penalties;
- Loss of well location, acreage, expected production and related reserves;
- Suspension or delay of our operations;
- Substantial liability claims; and
- Significant repair and remediation costs that increase our break-even economics.

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, acquisitions or other investments in our business, or cause us to incur losses.

### Risks related to Occidental's business and operations

#### *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, natural gas and its chemical products.

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 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 and demand for alternative and competing fuels and emissions reducing technology;
- Technological advances affecting energy consumption and supply;
- Government policies and support and market demand for low-carbon technologies;
- Domestic and international governmental regulations and taxes, including those that restrict the export of hydrocarbons;
- 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 international governments;
- The impact and uncertainty of world health events, including the COVID-19 pandemic and the spread of new variants;
- The effect of releases from the U.S. Strategic Petroleum Reserve;
- 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 chemical products are uncertain and there can be no assurance that the demand or pricing for Occidental's products will follow historic patterns 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, results of operations, liquidity, ability to reduce debt, access to and cost of capital, and ability to finance planned capital expenditures, pay dividends and repurchase shares;
- 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; 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. As of December 31, 2021, there are no active commodity hedges in place.



Management may choose to put hedges in place in the future for oil, NGL and natural gas commodities. 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 strength 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;
- Permit 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.

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

Results of operations, reserves replacement and the level of 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 access to 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, potentially 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 prescribed weighted average commodity 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. Additional regulation around GHG emissions and future costs related to a lower carbon intensive economy could result in a shortened oil and gas reservoir reserve life as the underlying reserves become uneconomical. 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.

***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 relative to both the larger transition to sustainable energy and government regulation regarding the environment and climate change. Occidental's strategies, which include the goal of reaching net-zero emissions in its operations and energy use 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. Effective execution of these goals may require substantial new capital, which might not be available to Occidental in the amounts or at the times expected. In addition, raising such capital may increase our leverage or overall costs of doing business. 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.

Certain of Occidental's emissions goals are dependent upon the successful implementation of new and existing technology on an industrial scale. These technologies are in various stages of development or implementation and may require more capital, or take longer to develop, than currently expected. Further, these carbon management technologies are in competition with technology being developed by other companies. The carbon management solutions are not well established and, while Occidental believes it has access to the technology and the expertise necessary to develop these on an industrial scale, Occidental may not ultimately succeed in achieving its GHG emissions reduction and net-zero goals.

Occidental's strategy to include carbon management in its product line is also dependent upon demand for carbon sequestration and related carbon offsets and attributes. If this market does not develop, or if the regulatory environment does not support carbon management activities, Occidental may not be successful in entering this industry.

***Occidental's aspirations, goals and initiatives related to carbon management and overall sustainability expose it to numerous risks.***

We continue to develop new technology and strategies to meet our emissions goals. Our efforts to research, establish, accomplish and accurately report on our emissions goals, targets and strategies expose Occidental to numerous operational, reputational, financial, legal and other risks. Our ability to reach our target emissions is subject to a multitude of factors and conditions, many of which are out of our control. Examples of such factors include evolving government regulation, the pace of changes in technology, the successful development and deployment of existing or new technologies and business solutions on a commercial scale, the availability, timing and cost of equipment, manufactured goods and services, and the availability of requisite financing and federal and state incentive programs.

Occidental may face increased scrutiny from the investment community, other stakeholders and the media related to its emissions goals and strategies. If Occidental's emissions goals and strategies to achieve them do not meet evolving investor or other stakeholder expectations or standards, Occidental's reputation, ability to attract and retain employees and attractiveness as an investment, business partner or acquirer could be negatively impacted. Similarly, Occidental's failure or perceived failure to fulfill its emissions goals and targets, to comply with ethical, environmental, social, governance or other standards, regulations, or expectations, or to satisfy various reporting standards with respect to these matters effectively could have the same negative impacts and further expose Occidental to government enforcement actions and private litigation. Even if Occidental achieves its goals, targets and objectives, it may not realize all of the benefits that it expected at the time the goals were established.

***Occidental has previously 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 included 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. If there is an adverse downturn of the macroeconomic conditions and if such downturn 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.

Future costs associated with reducing emissions and carbon impacts, as well as impacts resulting from other risk factors described herein, could lead to impairments in the future, if such costs significantly increase our breakeven economics.



***Occidental uses CO<sub>2</sub> for its EOR operations. Occidental's production from these operations may decline if Occidental is not able to obtain sufficient amounts of CO<sub>2</sub>.***

Occidental's CO<sub>2</sub> EOR operations are critical to Occidental's long-term strategy. Oil production from Occidental's CO<sub>2</sub> EOR projects depends largely on having access to sufficient amounts of naturally occurring or anthropogenic (human-made) CO<sub>2</sub>. Occidental's ability to produce oil from its CO<sub>2</sub> EOR projects would be hindered if the supply of CO<sub>2</sub> was limited due to, among other things, problems with current CO<sub>2</sub> producing wells and facilities, including compression equipment, catastrophic pipeline failure or the ability to economically purchase naturally occurring or anthropogenic CO<sub>2</sub>. This could have a material adverse effect on Occidental's financial condition, results of operations or cash flows. Future oil production from its CO<sub>2</sub> EOR operations is dependent on the timing, volumes and location of CO<sub>2</sub> injections and, in particular, Occidental's ability to obtain sufficient volumes of CO<sub>2</sub>. Market conditions may cause the delay or cancellation of the development of naturally occurring CO<sub>2</sub> sources or construction of plants that produce anthropogenic CO<sub>2</sub> as a byproduct that can be purchased, thus limiting the amount of CO<sub>2</sub> available for use in Occidental's CO<sub>2</sub> 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, leading to 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 producing, 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.

Although 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 by successfully allocating annual capital to maintain our reserves and production base. Occidental expects infill development projects, extensions, discoveries and improved recovery 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 primarily in the Gulf of Mexico and its operations and financial results are vulnerable to certain unique risks associated with operating offshore, including conditions 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, emissions 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 deep-water locations, lack the physical and oilfield service infrastructure present in shallower waters. As a result, deep-water 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.

Occidental's operations in the Gulf of Mexico were negatively impacted by Hurricane Ida in 2021, which reduced production by approximately 2.5 million barrels of oil equivalent (MMboe), associated with safely shutting in production, evacuating and then restarting the platforms.

***Occidental's indebtedness may make it more vulnerable to economic downturns and adverse developments in its business. Downgrades in Occidental's credit ratings or future increases in interest rates may negatively impact Occidental's cost of capital, and ability to access 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 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 the date of this filing, 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 downgrade in the credit ratings 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.

***One of Occidental's subsidiaries acts as the general partner of WES, a publicly traded master limited partnership, which may involve potential legal liability.***

One of Occidental's subsidiaries acts as the general partner of WES, a publicly traded master limited partnership. Our general partner interest in WES may increase the possibility that we could be subject to claims of breach of duties owed to WES, including claims of conflict of interest. Any such claims could increase our costs and any liability resulting from such claims could have a material 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, among other things, 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 Internal Revenue Service (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 a trial date has been set for July 2022 and 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, 2021, 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 \$1.3 billion as of December 31, 2021, 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 approximate repayment of \$1 billion (\$1 billion federal and \$27 million in state taxes) plus accrued interest of approximately \$314 million. This amount is not covered by insurance. For additional information on income taxes, see [Note 10 - Income Taxes](#) in the Notes to Consolidated Financial Statements in Part II Item 8 of this Form 10-K.

## **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 13 - Lawsuits, Claims, Commitments and Contingencies](#) in the Notes to Consolidated Financial Statements in Part II Item 8 of this Form 10-K.

## **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 24, 2022:

Name Current Title	Age as of February 24, 2022	Positions with Occidental and Employment History
<b>Marcia E. Backus</b> Senior Vice President, General Counsel and Chief Compliance Officer	67	Senior Vice President, General Counsel and Chief Compliance Officer since December 2016.
<b>Peter J. Bennett</b> Vice President	54	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.
<b>Christopher O. Champion</b> Vice President, Chief Accounting Officer and Controller	52	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.
<b>Kenneth Dillon</b> Senior Vice President	62	Senior Vice President since December 2016; President – International Oil and Gas Operations since June 2016.
<b>Vicki Hollub</b> President and Chief Executive Officer	62	President, Chief Executive Officer and Director since April 2016.
<b>Richard A. Jackson</b> Senior Vice President	46	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 Ventures, 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.
<b>Robert L. Peterson</b> Senior Vice President and Chief Financial Officer	51	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 (NYSE) under the ticker symbol "OXY." The common stock was held by approximately 26,800 stockholders of record as of January 31, 2022, 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 of Directors.

**SHARE REPURCHASE ACTIVITIES**

Occidental's share repurchase activities for the year ended December 31, 2021, were as follows:

Period	Total Number of Shares Purchased <sup>(a)</sup>	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 2021	148,296	\$ 22.62	—	
Second Quarter 2021	—	\$ —	—	
Third Quarter 2021	—	\$ —	—	
October 1 - 31, 2021	148,464	\$ 32.77	—	
November 1 - 30, 2021	—	\$ —	—	
December 1 - 31, 2021	—	\$ —	—	
Fourth Quarter 2021	148,464	\$ 32.77	—	
<b>Total 2021</b>	<b>296,760</b>	<b>\$ 27.70</b>	—	<b>44,206,787 <sup>(b)</sup></b>

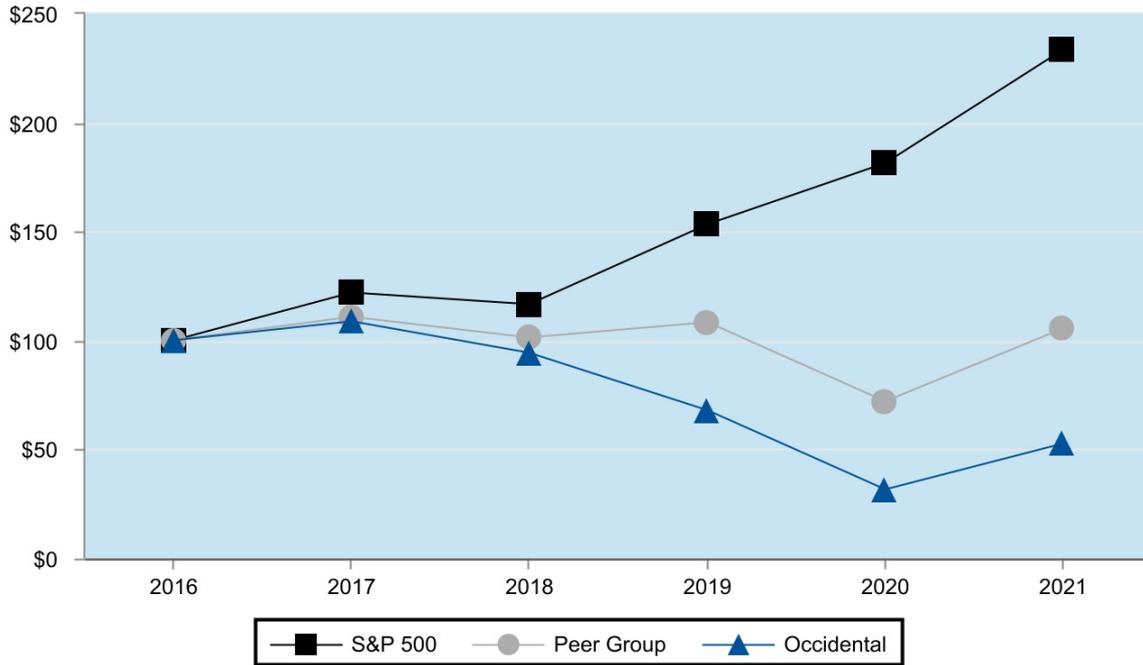
<sup>(a)</sup> All 2021 purchases were from the trustee of Occidental's defined contribution savings plan.

<sup>(b)</sup> Represents the total number of shares remaining at year end under Occidental's previous share repurchase program of 185 million shares. The program was initially announced in 2005. The program did not obligate Occidental to acquire any specific number of shares and could be discontinued at any time. See "Liquidity and Capital Resources" 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 for more information on Occidental's recently announced share repurchase program.

**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, 2021. 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, Shell, TotalEnergies SE (Total) and Occidental.



Fiscal Year Ended December 31,	2016	2017	2018	2019	2020	2021
Occidental	\$ 100	\$ 109	\$ 94	\$ 68	\$ 31	\$ 53
Peer Group	\$ 100	\$ 111	\$ 101	\$ 108	\$ 72	\$ 106
S&P 500	\$ 100	\$ 122	\$ 116	\$ 153	\$ 181	\$ 233

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 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

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### 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. During 2021, as compared to 2020, the average annual price per barrel (\$/Bbl) of West Texas Intermediate (WTI) crude increased to \$67.91 from \$39.40 and the average annual Brent price per barrel increased to \$70.78 from \$43.21. While the worldwide economy continues to be impacted by the ongoing effects of the COVID-19 pandemic and emergence and spread of new variants of the virus, demand for oil has returned to near pre-pandemic levels. Current uncertainty of whether oil supply will be able to sustain a continued supply response, as well as geopolitical risks, have resulted in a significant increase to benchmark oil prices. In addition, current oil prices could be negatively impacted by the emergence of new COVID-19 variants, slow vaccine distribution in developing economies or the recurrence or tightening of travel restrictions and stay-at-home orders.

### STRATEGY

Occidental is focused on delivering a unique shareholder value proposition with its integrated portfolio of oil and gas, chemicals and midstream and marketing assets and its commitment to implement carbon management and storage solutions and reduce GHG emissions. Occidental conducts its operations with a focus on sustainability, health, safety, and environmental and social responsibility. Occidental aims to maximize shareholder returns through a combination of:

- Enhancing capital and operational efficiency to sustain 2021 production levels and free cash flow;
- Reducing financial leverage while maintaining a robust liquidity position;
- Returning additional capital to shareholders while continuing to reduce debt and improve Occidental's financial position; and
- Advancing technologies and business solutions to help drive a sustainable low-carbon future.

### OPERATIONAL EXCELLENCE AND CAPITAL EFFICIENCY

Occidental's operational priorities for 2021 were to sustain production in-line with its 2020 fourth quarter rate by investing \$2.9 billion in capital and maintaining a majority of the cost savings achieved in 2020. Occidental adhered to its capital budget and exceeded its original 2021 production guidance by 27 thousand barrels of oil equivalent per day (Mboe/d). Occidental set new operational records and efficiency benchmarks in the Permian, Rockies, Gulf of Mexico and Oman. Additionally, OxyChem recorded its highest earnings in 30 years, largely as a result of stronger realized pricing and margins across most product lines with improved demand. With the increase in commodity prices and Occidental's focus on its cash costs and operational efficiencies, Occidental's higher cash flow allowed it to reduce its leverage and improve its liquidity position.

### DEBT AND INTEREST RATE SWAPS

Occidental used its excess cash flow generated during 2021, coupled with divestiture proceeds, to continue to strengthen its balance sheet by reducing its debt and other financial obligations. In 2021, Occidental reduced total borrowings at face value of over \$6.7 billion and retired interest rate swaps with a notional value of \$750 million. The 2021 balance sheet improvement efforts have significantly reduced debt maturities in the near and medium terms, which will allow Occidental more operational flexibility and the ability to pay down additional debt in the future with a more opportunistic approach. As of December 31, 2021, Occidental had debt maturities of approximately \$101 million in 2022, \$465 million in 2023 and \$1.7 billion in 2024. In January 2022, Occidental paid off its last 2022 maturity for \$101 million.

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. The Zero Coupons can next be put to Occidental in October 2022, which, if put in whole, would require a payment of approximately \$1.1 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.

The remaining interest rate swaps with a fair value of \$428 million, net of collateral, as of December 31, 2021, 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, 2021, all of Occidental's Brent-priced sold calls and two way natural gas collars have expired. See [Note 8 - Derivatives](#) in the Notes to Consolidated Financial Statements in Part II Item 8 of this Form 10-K for further discussion.



### DEBT RATINGS

As of the date of this filing, Occidental's long-term debt was rated BB+ by Fitch Ratings, Ba2 by Moody's Investors Service and BB+ by Standard and Poor's. In January, 2022, Standard and Poor's upgraded Occidental's credit rating to BB+. Any downgrade in credit ratings could impact Occidental's ability to access capital markets and increase its cost of capital. Occidental's non-investment grade debt rating may require Occidental to provide financial assurance in the form of cash, letters of credit, surety bonds or other acceptable support under certain contractual arrangements.

As of the date of this filing, Occidental has provided required financial assurance through a combination of cash, letters of credit and surety bonds. Occidental 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.

### SUSTAINABILITY AND ENVIRONMENTAL STEWARDSHIP STRATEGY

In 2020, Occidental was the first U.S. oil and gas company to announce goals to achieve net-zero GHG emissions for its total emissions inventory including use of sold products. These goals include achieving net-zero GHG emissions (i) from its operations and energy use before 2040, with an ambition to do so before 2035, and (ii) from the use of its sold products with an ambition to do so before 2050. In 2020, Occidental also set various interim targets, including 2025 carbon and methane intensity targets, and Occidental was also the first U.S. oil and gas company to endorse the World Bank's initiative for zero routine flaring by 2030. In 2021, Occidental made progress on these sustainability commitments and established additional interim targets toward its net-zero goals to advance a low-carbon future.

Occidental seeks to meet its sustainability and environmental goals through its development and commercialization of technologies that lower both GHG emissions from industrial processes and existing atmospheric concentrations of CO<sub>2</sub>. Occidental believes that carbon removal technologies, including DAC and CCUS, can, with incentives necessary for their development and deployment, provide essential CO<sub>2</sub> reductions in the medium term, while the world transitions to a lower carbon intensive economy. Occidental has undertaken the following actions, among others, toward advancing its low-carbon strategy:

- Incorporated specific GHG emissions reduction targets in its RCF and receivables securitization facility, which can impact its costs related to its borrowing facilities;
- Invested in a third party to develop a zero-emission natural gas generation demonstration facility and license the underlying technology;
- Initiated a front end engineering and design study on an industrial scale DAC facility;
- Implemented multiple programs to reduce emissions and the routine flaring of gas;
- Delivered the world's first cargo of carbon-neutral oil in January 2021;
- Formed teams to specifically advance Occidental's environmental, social and governance goals and associated accounting, and report to executive management; and
- Provided technical advisory services to third parties regarding their CCUS projects.

In 2022, OLCV plans to invest approximately \$300 million in the development and commercialization of new technologies and low-carbon business models. In addition, Occidental plans to invest approximately \$83 million in emissions reduction capital projects at its existing oil and gas, chemical and other midstream operations in 2022, such as retrofitting facilities to reduce CO<sub>2</sub>, methane and other air emissions. The future costs associated with emissions reduction, carbon removal and CCUS to meet its long-term net-zero GHG goals may be substantial and execution of its plans depends on securing financing. Occidental is pursuing multiple pathways to finance these projects including:

- Project financing with long-term carbon removal or CCUS agreements;
- Identifying business opportunities with stakeholders in carbon-intensive industries; and
- Occidental self-funding with excess cash flow.

### LIQUIDITY

Occidental exited 2021 with cash and cash equivalents of \$2.8 billion and total borrowings at face value of \$28.5 billion. Occidental undertook the following actions to improve its liquidity position beyond the improvements provided by 2021's strong cash flows:

- Maintained its 2021 capital budget of \$2.9 billion while exceeding production guidance;
- Maintained the majority of cost savings achieved in prior years;
- Completed its large-scale asset divestiture program;
- Amended and extended the RCF to June 2025 with a fully committed borrowing capacity of \$4.0 billion. The amended facility is now a Secured Overnight Financing Rate (SOFR) priced, sustainability linked loan with no material change to existing covenants; and
- Amended and extended the receivables securitization facility to December 2024 with a borrowing capacity as of the date of this filing of \$400 million. The amended facility is now a SOFR-priced, sustainability linked loan.

In the current commodity price environment, Occidental intends to continue strengthening its financial position while returning additional cash to shareholders through an increase in the common dividend and a reactivated share repurchase program. Occidental expects to fund its return of capital to shareholders as well as its operational and capital requirements with cash flows from 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 capital expenditures and operating and corporate costs. However, lower oil and gas prices as a result of the COVID-19 pandemic or reduced demand may result in the short or long-term reduction of Occidental's capital expenditures and production profile. Occidental believes the long-term sustainability of the increased dividend rate, even in a lower oil and gas price environment, will be enhanced by continued deleveraging and the reactivated share repurchase program.

## 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 the section titled 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 (DART) rate - 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

- Total spend per barrel - In 2022, Occidental will continue to 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.
- Daily production - Occidental seeks to maintain 2021 production levels.

### 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 classified as investing cash flows, divided by (ii) the average of the opening and closing balances of total equity plus total debt.
- Reduce financial leverage.

### SUSTAINABILITY AND ENVIRONMENTAL

- Specific emissions reduction, emissions intensity and zero routine flaring targets to advance our goal of net-zero operational and energy use emissions before 2040, with an ambition to achieve before 2035.
- Milestones in specific carbon removal and CCUS projects that advance our net-zero total emissions inventory, including use of sold products, with an ambition to achieve before 2050.
- Water recycling targets to reduce the use of fresh water resources and the disposal of surplus produced water.
- Facilitate deployment of carbon removal, CCUS and other solutions to advance total carbon impact past 2050.

### IMPACT OF THE COVID-19 PANDEMIC

Occidental continues to focus on protecting the health and safety of its employees and contractors during the COVID-19 pandemic. New workplace safety protocols and procedures were implemented by Occidental for its offices and work sites in response to help mitigate the spread of COVID-19 and any related variants. Occidental has not incurred material costs or significant disruptions to its day-to-day operations related to the COVID-19 pandemic to date; however, the extent to which the COVID-19 pandemic could adversely affect Occidental's business, results of operations and financial condition will depend on future developments, which remain uncertain.



## 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 and NGL, allowing Occidental to maximize cash margins on a Bbl basis. Since the Acquisition, Occidental initially focused on its divestiture program 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, position Occidental 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 and, with the late 2021 sale of the Ghana assets, Occidental has completed its large scale asset divestiture program.

Occidental's assets are strategically positioned to provide a future portfolio of projects that are flexible and have a mix of short-cycle and mid-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 CO<sub>2</sub>, water and steam floods in mature fields; and
- Focusing on cost-reduction efficiencies and innovative technologies to reduce carbon emissions.

In 2021, oil and gas capital expenditures were approximately \$2.4 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 WTI and Brent prices for oil and New York Mercantile Exchange (NYMEX) natural gas prices for 2021 and 2020:

	2021	2020	% Change
WTI Oil (\$/Bbl)	\$ 67.91	\$ 39.40	72 %
Brent Oil (\$/Bbl)	\$ 70.78	\$ 43.21	64 %
NYMEX Natural Gas (\$/Mcf)	\$ 3.61	\$ 2.11	71 %

The following table presents Occidental's average realized prices for continuing operations as a percentage of WTI, Brent and NYMEX for 2021 and 2020:

	2021	2020
Worldwide oil as a percentage of average WTI	97 %	95 %
Worldwide oil as a percentage of average Brent	93 %	86 %
Worldwide NGL as a percentage of average WTI	44 %	32 %
Worldwide NGL as a percentage of average Brent	42 %	29 %
Domestic natural gas as a percentage of NYMEX	91 %	56 %

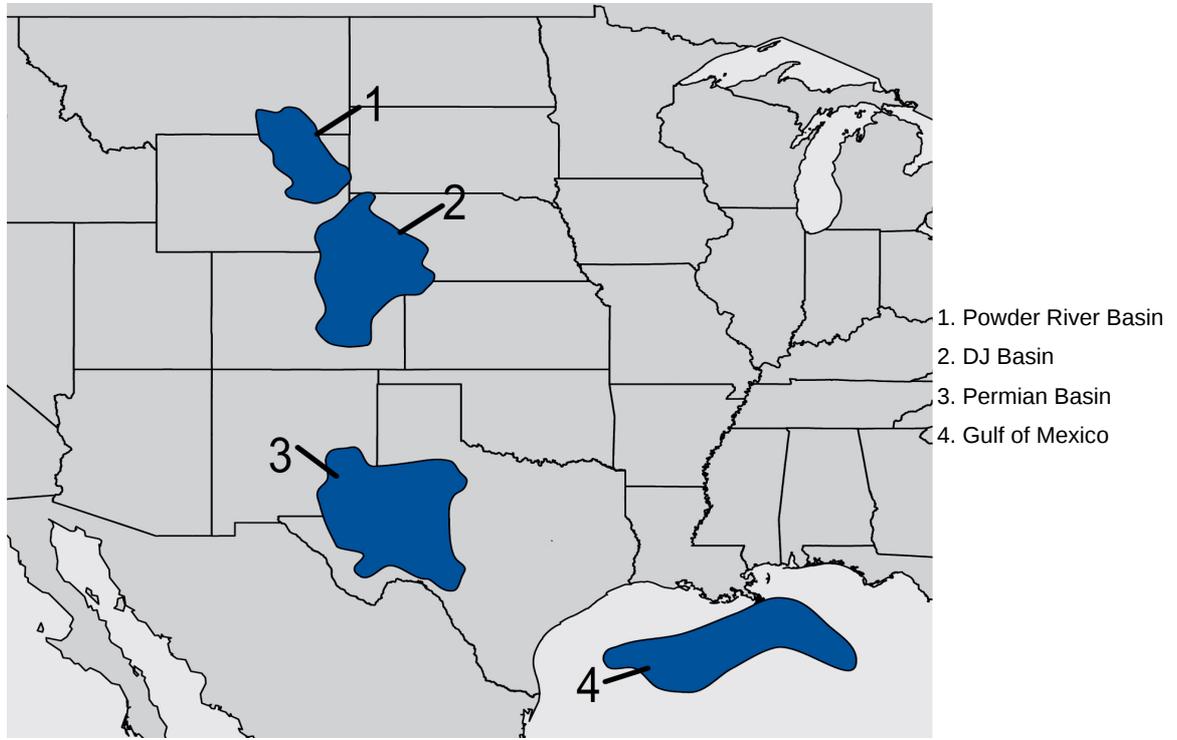
Prices and differentials can vary significantly, even on a short-term basis, making it difficult to predict realized prices with a reliable degree of certainty.

**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.

**DOMESTIC ASSETS <sup>(a)</sup>**



<sup>(a)</sup> 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 41% of total United States oil production in 2021. Overall in 2021, Occidental's share of production in the Permian Basin was approximately 487 Mboe/d.

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 CO<sub>2</sub> floods and waterfloods. Occidental has a leading position in the Permian Basin, producing approximately 9% of total oil in the basin throughout 2021. 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. 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 1.5 million net acres. In 2021, well design processes, technologies and logistics improvements drove increased operational efficiencies, which helped lower the overall well cost while improving recovery. Overall in 2021, Permian Resources produced from approximately 6,000 gross wells and added 222 MMboe to Occidental's proved reserves through development and extensions of proved area.

The Permian Basin's concentration of large conventional reservoirs, favorable CO<sub>2</sub> flooding performance and the expansive CO<sub>2</sub> transportation and processing infrastructure has resulted in decades of high-value enhanced oil production. With 35 active CO<sub>2</sub> floods and over 50 years of experience, Occidental is the industry leader in Permian Basin CO<sub>2</sub> flooding, which can increase ultimate oil recovery by 10% to 25%. Technology improvements, such as the recent trend toward vertical expansion of the CO<sub>2</sub> flooded interval into residual oil zone targets, continue to yield more recovery from existing projects, and Permian EOR produced from approximately 14,100 gross wells in 2021.

Significant opportunities also remain to gain additional recovery by expanding Occidental's existing CO<sub>2</sub> projects into new portions of reservoirs that have only been water-flooded. Permian EOR has a large inventory of future CO<sub>2</sub> 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 CO<sub>2</sub> for the purpose of CCUS in Occidental's Permian EOR operations.

In 2021, Occidental spent approximately \$1.1 billion of capital in the Permian Basin, of which approximately 93% was spent on Permian Resources assets. Also in 2021, Occidental divested of certain non-strategic assets in the Permian Resources business unit, as well as acquired additional working interests in certain assets in our Permian EOR business unit. In 2022, Occidental expects to allocate approximately \$1.7 billion to \$1.9 billion, or almost half of its worldwide capital budget to the Permian Basin.

### Rockies and Other Domestic

Occidental was Colorado's top oil and gas producer in 2021, with interests in approximately 600,000 net acres and net production of approximately 302 Mboe/d in 2021 in our Rockies and Other Domestic locations. Production in Colorado is derived from 2,200 operated vertical wells and 2,300 operated horizontal wells primarily focused in 400,000 net acres in the Niobrara and Codell formations. The DJ Basin provides competitive economics, low breakeven costs and free cash flow generation through Occidental's contiguous acreage position and royalty uplift.

In the DJ Basin, horizontal drilling results in the field continue to be strong, with improved operational efficiencies in drilling and completions. In 2021, Occidental drilled 72 operated horizontal wells and completed 163 operated horizontal wells. Also, in 2021, Occidental divested of certain non-operated assets in the DJ Basin. In 2022, Occidental plans to deploy approximately \$0.4 billion in total net capital spending in the Rockies and Other Domestic.

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. Other state agencies, including the Colorado Department of Public Health and Environment and the Colorado Air Quality Control Commission, have also updated their regulations regarding oil and gas operations. As of December 31, 2021, Occidental is fully permitted, or has submitted permit applications to applicable regulatory agencies, for all planned 2022 drilling and completions activity in the DJ Basin. As of year-end 2021, Occidental had not been denied any permits and received its first Oil & Gas Development Plan permit approval under the new COGCC regulations in the fourth quarter of 2021. Occidental has a dedicated, multidisciplinary stakeholder relations team that conducts regulatory and community outreach with respect to its permit applications and operations in Colorado. Occidental continues to have development optionality by flexing resources between the DJ Basin and other high rate-of-return projects in the Permian or Powder River Basin. Occidental's focus for 2022 in Colorado is continuing to proactively implement Colorado's new and updated regulatory processes and build operational inventory.

Occidental has gained efficiencies in the permitting process and will continue to look for additional opportunities to do so. As discussed above, 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.

Occidental holds approximately 5.0 million net acres in other domestic locations, which includes the Powder River Basin, North DJ Basin and Wyoming.

### OFFSHORE DOMESTIC ASSETS

#### Gulf of Mexico

Occidental is the fourth-largest oil and gas producer in the deep-water Gulf of Mexico, operating 10 strategically located deep-water floating platforms, producing from 17 active fields while owning a working interest in 180 blocks – one of the largest portfolios in the Gulf of Mexico. Occidental further operates marine shore-bases in Galveston, Texas, and Port Fourchon, Louisiana, as well as two helicopter bases in Louisiana that are configured to support the western and eastern Gulf operations, which are located across the 600-mile platform spread as well as providing back up and redundancy to each other. A central supply chain base, with a training center, is located in Broussard, Louisiana, and the operations are supported and managed with engineering and technical staff from The Woodlands, Texas, offices.

In 2021, Occidental increased net production to 144 Mboe/d from approximately 78 gross wells, investing over \$300 million in capital, primarily directed towards drilling activity in its Horn Mountain West subsea development, Lucius and Holstein facilities, using one floating drill ship and one platform rig. Occidental also progressed and accelerated key infrastructure facility projects for Horn Mountain West, Caesar-Tonga Subsea Expansion as well as initiating a major subsea-pumping project supporting the K2 Complex.

Operational excellence and efficiency was a prime initiative in 2021 for both drilling and well performance, including the implementation of several stimulations and artificial lift projects, together with optimum sequencing of platform turn-arounds, to reduce both planned and unplanned downtime for a third consecutive year. Hazard and operability studies of all 10 platforms were completed in 2021 and implementation of the resulting risk reduction projects was commenced. During 2021, all necessary regulatory permits for new wells and for existing operations were obtained timely.

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

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

In 2022, Occidental expects to allocate approximately \$0.5 billion in capital expenditures to continue to leverage its strategically advantaged infrastructure across the Gulf of Mexico to deliver high-margin production while seeking expansion and exploration opportunities. Occidental plans to conduct production adding activities with one floating drillship, one-to-two platform rigs with several other well service vessels. Horn Mountain West first production is scheduled for summer 2022, with Caesar-Tonga Subsea Expansion ready for first production before spring 2023. Several seismic acquisition programs are planned in 2022 to delineate and de-risk development opportunities as well as generate new opportunities that support the strategy of continued long-term production from the Gulf of Mexico.

## **INTERNATIONAL INTERESTS**

### **BUSINESS REVIEW**

Occidental conducts its ongoing international operations in two sub-regions: the Middle East and North Africa. Its activities include oil, NGL and natural gas production through direct working-interests, production sharing agreements (PSA) and production sharing contracts (PSC). Under the PSCs, 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. Approximately \$0.5 billion of Occidental's worldwide capital budget is expected to be allocated to its international operations in 2022.

### **MIDDLE EAST / NORTH AFRICA ASSETS**



1. Algeria
2. Oman
3. Qatar
4. UAE



## Algeria

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 an agreement between Occidental, Sonatrach and other partners. Occidental is responsible for 24.5% of the development and production costs. The El Merk Central Processing Facility (CPF) in Block 208 processes produced oil and NGL, while the Hassi Berkine South and Ourhoud CPFs in Block 404A processes produced oil. The rights to produce from the Block 404 fields expire between December 2022 and 2036 and the rights to produce from the Block 208 fields expire in 2032. In 2021, net production in Algeria was 43 Mbb/d. Also, in 2021, Occidental signed a Heads of Agreement with Sonatrach and other partners to discuss a new 25-year PSA that would align the expiration date for all 18 fields. Discussions regarding the potential new PSA are ongoing. In the first quarter of 2022, the joint venture plans to commence a drilling program of four wells.

## Oman

In Oman, Occidental is the operator of Block 9 with a 50% working interest, Block 27 with a 65% working interest, Block 53 (Mukhaizna Field) with a 47% working interest and Block 62 with a 100% working interest. Occidental additionally has interests in Blocks 30, 51, 65 and 72. Occidental holds 6.0 million gross acres and has 10,000 potential well inventory locations. In 2021, Occidentals share of production was 74 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 25 Mboe/d and 6 Mboe/d, respectively, in 2021. Occidental has produced over 718 million gross barrels from Block 9 since the beginning of its operation through successful exploration, continuous drilling improvements and EOR projects. The Mukhaizna Field contract expires in 2035 and is a major pattern steam flood project for EOR that utilizes some of the largest mechanical vapor compressors ever built. Since assuming operations in the Mukhaizna Field in 2005, Occidental has drilled over 3,560 new wells and has increased gross production by over 15-fold. Occidental's share of production for Mukhaizna Field was 30 Mboe/d in 2021. The Block 62 contract expires in 2028 and Occidental delivered production of 12 Mboe/d in 2021. Block 65 is under the exploration phase with a 73% working interest and Occidental's share of production in 2021 was one Mboe/d based on three oil discoveries. In 2021, Occidental invested capital of \$363 million to drill 111 wells and execute facilities projects to support development and EOR activities.

In 2022, Occidental plans to invest over \$0.3 billion of capital to drill 128 wells and execute required facilities projects. Occidental will continue to enhance production by adding extended and dual laterals, stimulating wells with OXY JETTING, an in-house developed stimulation technique, and expanding thermal conformance. Occidental will continue to execute projects in Oman targeting emissions reductions. Based on the successful exploration results in Block 65 for 2021, the block's Declaration of Commerciality is planned for 2022.

## 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 DEL, which operates a pipeline and is discussed further in the midstream and marketing segment section in this Form 10-K under Pipeline. In 2021, Occidental's net share of production from Dolphin was 40 Mboe/d.

## UAE

In 2011, Occidental acquired a 40% participating interest in the Shah gas field (Al Hosn Gas), joining with the Abu Dhabi National Oil Company, which expires in 2041. In 2021, Occidental's share of production from Al Hosn Gas was 234 million cubic feet per day (MMcf/d) of natural gas and 37 Mbb/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 CO<sub>2</sub>.

In 2019 and 2020, Occidental acquired 9-year exploration concessions and, subject to a declaration of commerciality, 35-year production concessions for Onshore Block 3 and Block 5, which cover an area approximately 1.5 million acres and 1.0 million acres, respectively, and are adjacent to Al Hosn Gas. In 2021, Occidental announced a multi-zone oil and gas discovery in Block 3.

In 2022, Occidental plans to continue work on an expansion project that will increase the production capacity of the Al Hosn Gas processing facilities from the current 1.28 Bcf/d to 1.45 Bcf/d in 2023 and continue further exploration activities in Onshore Block 3 and Block 5.

## Ghana - Discontinued Operations

In October 2021, Occidental completed the sale of its Ghana assets. Prior to the divestiture, Ghana operations included production and development activities located offshore in the West Cape Three Point Block and the Deepwater Tano Block. Occidental's net share of production in 2021 was 16 Mboe/d.

**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.

The following table shows the 2021, 2020 and 2019 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):

	<b>2021</b>	2020	2019
WTI Oil (\$/Bbl)	\$ <b>66.56</b>	\$ 39.57	\$ 55.69
Brent Oil (\$/Bbl)	\$ <b>69.24</b>	\$ 43.41	\$ 63.03
Henry Hub Natural Gas (\$/MMbtu)	\$ <b>3.60</b>	\$ 1.98	\$ 2.58
Mt. Belvieu NGL (\$/Bbl) <sup>(a)</sup>	\$ <b>44.22</b>	\$ 18.74	N/A

<sup>(a)</sup> 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 2021 of 3,512 MMboe, compared to the year-end 2020 amount of 2,911 MMboe. Proved developed reserves represented approximately 75% and 78% of Occidental's total proved reserves at year-end 2021 and 2020, respectively. The following table shows the breakout of Occidental's proved reserves from continuing operations by commodity as a percentage of total proved reserves:

	<b>2021</b>	2020
Oil	<b>50 %</b>	51 %
NGL	<b>22 %</b>	20 %
Natural gas	<b>28 %</b>	29 %

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 increased 601 MMboe in 2021, which was primarily driven by price and other revisions of 829 MMboe and extensions and discoveries of 145 MMboe. These increases were partially offset by production of 426 MMboe and asset divestitures of 11 MMboe. Changes in reserves were as follows:

<i>MMboe</i>	<b>2021</b>
Revisions of previous estimates	<b>829</b>
Improved recovery	<b>20</b>
Extensions and discoveries	<b>145</b>
Purchases	<b>44</b>
Sales	<b>(11)</b>
Production	<b>(426)</b>
<b>Total</b>	<b>601</b>

Occidental's ability to add reserves, other than through purchases, depends on the success of infill development, extension, discovery and improved recovery 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 2021, Occidental's revisions of previous estimates of proved reserves were positive 829 MMboe, of which approximately 421 MMboe were positive price revisions. The positive price revisions were primarily associated with the Permian Basin (380 MMboe) and the DJ Basin (51 MMboe), which were partially offset by negative price revisions of 35 MMboe on international PSCs.

An additional 208 MMboe of positive revisions were related to additions associated with infill development projects, primarily in the Permian Basin (103 MMboe) and the DJ Basin (90 MMboe).

Further positive revisions of 101 MMboe were associated with updates based on reservoir performance.

The remaining revisions were associated with various other cost related revisions (57 MMboe) and management changes in development plans primarily due to higher average commodity prices compared to the prior year (42 MMboe).

### Improved Recovery

In 2021, Occidental added proved reserves of 20 MMboe related to improved recovery primarily due to secondary and tertiary projects, mainly in certain international assets which accounted for approximately two-thirds of the reserve additions. These properties comprise conventional projects, which are characterized by the deployment of EOR development methods, largely employing application of CO<sub>2</sub> flood, waterflood or steam flood. 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 CO<sub>2</sub> or steam flooding depends on the geology of the formation, the evaluation of engineering data, availability and cost of either CO<sub>2</sub> or steam and other economic factors. Both techniques work similarly to lower viscosity causing the oil to move more easily to the producing wells.

### Extensions and Discoveries

Occidental also added proved reserves from extensions and discoveries, which are dependent on successful exploration and exploitation programs. In 2021, extensions and discoveries added 145 MMboe primarily related to the recognition of proved reserves in the Permian Basin (120 MMboe) and Gulf of Mexico (10 MMboe).

### Purchases of Proved Reserves

In 2021, Occidental purchased proved reserves of 44 MMboe primarily consisting of proved reserves in the Permian EOR.

### Sales of Proved Reserves

In 2021, Occidental sold 11 MMboe in proved reserves, primarily related to the divestitures of certain non-strategic assets in the Permian Basin.

### Proved Undeveloped Reserves

Occidental had PUD reserves at year-end 2021 of 865 MMboe, compared to the year-end 2020 amount of 645 MMboe.

Changes in PUD reserves were as follows:

<i>MMboe</i>	<b>2021</b>
Revisions of previous estimates	<b>280</b>
Improved recovery	<b>10</b>
Extensions and discoveries	<b>60</b>
Purchases	<b>6</b>
Sales	<b>—</b>
Transfer to proved developed reserves	<b>(136)</b>
<b>Total</b>	<b>220</b>

Revisions of previous estimates were a positive 280 MMboe. Approximately 203 MMboe of the positive revisions were related to additions associated with infill development projects, primarily in the Permian Basin (99 MMboe) and the DJ Basin (90 MMboe). Additionally, the revisions included positive price revisions of 50 MMboe. The positive price revisions were primarily associated with the Permian Basin (48 MMboe) and the DJ Basin (8 MMboe). Further, 38 MMboe of positive revisions were related to management changes in development plans. The remaining revisions were associated with various updates based on reservoir performance.

Extensions and discoveries added 60 MMboe primarily related to the recognition of proved reserves in the Permian Basin (45 MMboe) and Gulf of Mexico (10 MMboe). Total improved recovery additions of 10 MMboe were primarily the result



of secondary and tertiary projects in international assets (9 MMboe). The 2021 additions to PUD reserves were offset by transfers to proved developed reserves. Transfers to proved developed reserves were a total of 136 MMboe. The transfers were primarily associated with the DJ Basin (70 MMboe), the Permian Basin (41 MMboe), and Gulf of Mexico (18 MMboe).

PUD 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 PUD 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 PUD reserves associated with international operations are expected to be developed beyond the five years and are tied to approved long-term development projects.

In 2021, Occidental incurred approximately \$0.6 billion to convert PUD reserves to proved developed reserves, and in 2021 Occidental converted approximately 15% of its PUD reserves to proved developed, when adjusted for revisions and sales. As of December 31, 2021, Occidental had 865 MMboe of PUD reserves of which 60% were associated with domestic onshore, 8% with Gulf of Mexico and 32% with international assets. Occidental's most active development areas are located in the Permian Basin, which represented 45% of the PUD reserves as of December 31, 2021. Almost half of Occidental's 2022 capital program of \$3.9 billion to \$4.3 billion is allocated to the development program in the Permian Basin. Overall, Occidental plans to spend approximately \$3.0 billion over the next five years to develop its PUD reserves in the Permian Basin.

As of December 31, 2021, Occidental had 192 MMboe of pre-2017 PUD reserves that remained undeveloped. These PUD 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. Occidental remains committed to these projects and continues to actively progress the development of these volumes. In addition to the above, Occidental has 112 MMboe of PUD reserves that are scheduled to be developed more than five years from their initial date of booking. These PUD reserves are primarily related to approved long-term development plans with physical limitations in existing gas processing capacity, 63 MMboe of which are associated with other Permian EOR projects and 38 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, 2021, 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 PUD 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. PUD 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 PUD reserves are being converted on a timely basis within five years from the initial disclosure date. Any leases not showing timely transfers from PUD 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 PUD 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 PUD 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 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 2021, 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, 2021, 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 2021 year-end total proved reserves portfolio. In 2021, Ryder Scott reviewed approximately 36% 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 91% 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, 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.

## INDUSTRY OUTLOOK

The oil and gas exploration and production industry is highly competitive, is subject to significant volatility due to various market conditions and operations are highly dependent on oil prices and, to a lesser extent, NGL and natural gas prices. Oil prices increased significantly in 2021. During 2021, as compared to 2020, the average annual \$/Bbl of WTI crude increased to \$67.91 from \$39.40 and the average annual Brent price per barrel increased to \$70.78 from \$43.21.

Oil prices will continue to be affected by: (i) global supply and demand, which are generally a function of global economic conditions, inventory levels, production or supply chain disruptions, technological advances, regional market conditions and the actions of OPEC, other significant producers and governments; (ii) transportation capacity, infrastructure constraints, and costs in producing areas; (iii) currency exchange rates and inflation rates; and (iv) the effect of changes in these variables on market perceptions.

NGL prices are related to the supply and demand for the components of products making up these liquids. Some of them more typically correlate to the price of oil while others are affected by natural gas prices as well as the demand for certain chemical products for which they are used as feedstock. In addition, infrastructure constraints magnify the pricing volatility from region to region.

Domestic natural gas prices and local differentials are strongly affected by local supply and demand fundamentals, as well as government regulations, global LNG demand and availability of transportation capacity from producing areas.

We expect that oil prices in the near-term will continue to be influenced by the duration and severity of the COVID-19 pandemic and its resulting impact on oil and gas supply and demand.

These and other factors make it difficult to predict the future direction of oil, NGL and domestic gas prices reliably. For purposes of the current capital plan, Occidental will continue to focus on allocating capital to its highest-return assets with the flexibility to adjust based on fluctuations in commodity prices. International gas prices are generally fixed under long-term contracts. Occidental continues to adjust capital expenditures in line with current economic conditions with the goal of keeping returns well above its cost of capital.

The timing, process and ultimate cost to transition to a lower carbon intensive economy remains largely unknown; various industry forecasts indicate a growing demand for hydrocarbons for the remainder of the current decade. Occidental believes its operational flexibility regarding its mix of short-cycle and mid-cycle projects and its knowledge and experience in CO<sub>2</sub> separation, transportation, use, recycling and storage means that its oil and gas segment is well positioned to support Occidental's transition to net zero as well as create opportunities in a low-carbon future.



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## CHEMICAL SEGMENT

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### BUSINESS STRATEGY

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 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'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 2021, capital expenditures for OxyChem totaled \$308 million.

### BUSINESS ENVIRONMENT

In 2021, the United States economic growth, estimated to be 5.6%, was significantly higher than the 3.4% contraction experienced in 2020, which resulted in higher demand for most products including caustic soda and PVC. Pricing for PVC continued to remain strong in 2021 due to increased domestic demand and record high pricing in global markets. Caustic soda prices were significantly higher in 2021, partially offset by higher energy costs.

### BUSINESS REVIEW

#### BASIC CHEMICALS

The U.S. economic growth resulted in higher domestic demand as chlor-alkali operating rates increased compared to 2020. Liquid caustic soda and chlorine prices/margins were higher in 2021 due to strong demand in most market segments, which was partially offset by higher energy prices. Increases in prices/margins for caustic, chlorine and chlorine derivatives in 2021 versus 2020 was driven by strong demand, weather events and other supply disruptions.

#### VINYLS

Strong demand from the second half of 2020 continued into 2021, resulting in an 11% increase in domestic PVC demand. Housing starts, construction projects and low mortgage rates were the main catalyst driving the growth. During 2021, PVC producers were confronted with extended production outages, weather events and supply chain interruptions while PVC converters also experienced challenges due to shortages of labor, parts and raw materials. As with 2020, higher U.S. demand limited PVC availability for export markets. 2021 PVC export volume was down 32% year over year. PVC exports represented 19% of total North American production in 2021 compared to 28% in 2020.

### INDUSTRY OUTLOOK

Industry performance will depend on the health of the global economy and recovery from the COVID-19 pandemic. The housing, construction and automotive markets are expected to remain strong throughout 2022. Product margins will depend on market supply and demand balances, feedstock and energy prices, supply chain interruptions, labor constraints and rising inflation rates. Further recovery in the petroleum industry should strengthen the demand/margins for some of Occidental's products that are consumed by industry participants. U.S. commodity export markets could be impacted by the relative strength of the U.S. dollar.

#### BASIC CHEMICALS

Demand for basic chemicals is expected to further improve in 2022 over 2021 levels. Improvement in most market segments is expected with the anticipated improvement in the overall economy and recovering supply chains. 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 remain strong with further year-over-year growth in 2022. Residential construction spending and expected new infrastructure projects are forecasted to drive domestic growth in 2022. New domestic PVC capacity is expected to fully enter the market in 2022 but is not expected to have a material impact on PVC production rates due to domestic and export growth expectations.



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## MIDSTREAM AND MARKETING SEGMENT

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### BUSINESS STRATEGY

The midstream and marketing segment strives to maximize value by optimizing the use of its gathering, processing, transportation, storage and terminal commitments and by providing the oil and gas segment 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.

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 2021, capital expenditures related to the midstream and marketing segment totaled \$106 million.

Also included in the midstream and marketing segment is OLCV. OLCV seeks to leverage Occidental's carbon management expertise through the development of CCUS projects, and invests in innovative low-carbon technologies that are expected to reduce our carbon footprint and enable others to do the same.

### 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 prices and the Midland-to-Gulf-Coast oil spreads. In 2021, 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. The Midland-to-Gulf-Coast oil spreads have decreased from an average of \$1.43 per barrel in 2020 to \$0.48 per barrel for the year ended December 31, 2021. A \$0.25 change in the Midland-to-Gulf-Coast oil spreads impacts total year operating cash flows by approximately \$65 million. 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 2021 increases in NGL prices and sulfur prices positively impacted the gas processing business.

### BUSINESS REVIEW

#### MARKETING

The marketing group markets substantially all of Occidental's oil, NGL and natural gas production and optimizes its 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 2021, compared to the prior year, marketing results were favorable due to the rising crude oil price environment and its impact on export sales.

#### DELIVERY AND TRANSPORTATION 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 92 MMbbl of oil through 2025, 731 MMbbl of NGL through 2029 and 764 Bcf of gas through 2029. The price for these deliveries is set at the time of delivery of the product.

Occidental has pipeline take-or-pay capacity of approximately 800 thousand barrels per day (Mbb/d) to the Gulf Coast, leased storage capacity of approximately 10 MMbbl and capacity at the Ingleside Crude terminal of approximately 525 Mbb/d.

#### PIPELINE

Occidental's pipeline business mainly consists of its 24.5% ownership interest in DEL. DEL 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 2.0 Bcf/d and up to 2.2 Bcf/d in the summer months.

#### GAS PROCESSING, GATHERING AND CO<sub>2</sub>

Occidental processes its and third-party domestic wet gas to extract NGL and other gas byproducts, including CO<sub>2</sub> 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, 2021, Occidental owned all of the 2.2% non-voting general partner interest and 49.7% of the limited partner units in WES. On a combined basis, with its 2% non-voting limited partner interest in Western Midstream Operating, LP (WES Operating), Occidental's total effective economic interest in WES and its subsidiaries was 51.8%. 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 1.28 Bcf/d of natural gas and separate it into salable gas, condensate, NGL and sulfur. In 2021, the project produced 640 MMcf/d of natural gas, 100 Mbbbl/d of NGL and condensate, and 11,700 tons/d of sulfur, of which Occidental's net share was 256 MMcf/d of natural gas, 40 Mbbbl/d of NGL and condensate and 4,700 tons/d of sulfur.

In 2021, compared to the prior year, gas processing, gathering and CO<sub>2</sub> results increased primarily due to higher sulfur and NGL prices.

### **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 the development of low-carbon energy and products. OLCV capitalizes on Occidental's extensive experience in utilizing CO<sub>2</sub> in its development of CCUS projects and providing services to third parties to facilitate the implementation of their CCUS projects. Moreover, OLCV is fostering new technologies, including DAC and low-carbon power sources, 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 CO<sub>2</sub> stored through secure geologic sequestration. Occidental holds the nation's first two EPA-approved monitoring, reporting and verification (MRV) plans for geologic sequestration through EOR production and obtained a third MRV plan in 2021.

OLCV is currently conducting front-end engineering design work and feasibility studies on a number of projects to capture and sequester CO<sub>2</sub>, either from the atmosphere or from industrial point sources. In 2022, OLCV plans to invest approximately \$300 million to pursue various projects.

The profitability of sequestration projects is dependent upon the costs of developing, building and operating sequestration infrastructure, demand for sequestration services from emitters and the availability of certain tax attributes and credits generated from the capture and storage of CO<sub>2</sub>.

### **INDUSTRY OUTLOOK**

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

At the end of 2021, the U.S. experienced economy-wide cost increases, which could increase the cost of sequestration projects. Occidental saw increased interest from third parties in providing sequestration services during the year. Additionally, grants, credits and other tax-advantaged low-carbon attributes continue to be actively discussed at both state and federal levels. These trends are expected to continue, which Occidental believes will enhance the economics of sequestration projects.



## 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>	2021	2020	2019
<b>NET SALES</b> <sup>(a)</sup>			
Oil and gas	\$ 18,941	\$ 13,066	\$ 13,941
Chemical	5,246	3,733	4,102
Midstream and marketing	2,863	1,768	4,132
Eliminations	(1,094)	(758)	(1,264)
Total	\$ 25,956	\$ 17,809	\$ 20,911
<b>SEGMENT RESULTS AND EARNINGS</b>			
Domestic	\$ 2,900	\$ (8,758)	\$ 838
International	1,497	(742)	1,851
Exploration	(252)	(132)	(169)
Oil and gas	4,145	(9,632)	2,520
Chemical	1,544	664	799
Midstream and marketing	257	(4,175)	241
Total	\$ 5,946	\$ (13,143)	\$ 3,560
<b>Unallocated corporate items</b>			
Interest expense, net	(1,614)	(1,424)	(1,002)
Income tax benefit (expense)	(915)	2,172	(861)
Other	(627)	(1,138)	(2,204)
Income (loss) from continuing operations	\$ 2,790	\$ (13,533)	\$ (507)
Discontinued operations, net	(468)	(1,298)	(15)
<b>Net income (loss)</b>	<b>2,322</b>	<b>(14,831)</b>	<b>(522)</b>
Less: Net income attributable to noncontrolling interests	—	—	(145)
Less: Preferred stock dividends	(800)	(844)	(318)
<b>Net income (loss) attributable to common stockholders</b>	<b>\$ 1,522</b>	<b>\$ (15,675)</b>	<b>\$ (985)</b>
Net income (loss) attributable to common stockholders—basic	\$ 1.62	\$ (17.06)	\$ (1.22)
Net income (loss) attributable to common stockholders—diluted	\$ 1.58	\$ (17.06)	\$ (1.22)

<sup>(a)</sup> 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**

<i>millions</i>	2021		2020		2019
<b>Segment Sales</b>	\$	<b>18,941</b>	\$	13,066	\$ 13,941
<b>Segment Results</b> <sup>(a)</sup>					
Domestic	\$	<b>2,900</b>	\$	(8,758)	\$ 838
International		<b>1,497</b>		(742)	1,851
Exploration		<b>(252)</b>		(132)	(169)
<b>Total</b>	\$	<b>4,145</b>	\$	(9,632)	\$ 2,520
<b>Items affecting comparability</b>					
Asset impairments and related items - domestic <sup>(b)</sup>	\$	<b>(282)</b>	\$	(5,904)	\$ (288)
Asset impairments and related items - international <sup>(c)</sup>	\$	<b>—</b>	\$	(1,195)	\$ (39)
Asset sale gains (losses), net - domestic <sup>(d)</sup>	\$	<b>27</b>	\$	(1,275)	\$ 475
Asset sale losses, net - international <sup>(e)</sup>	\$	<b>43</b>	\$	(353)	\$ —
Oil, natural gas and CO <sub>2</sub> mark-to-market gains (losses)	\$	<b>(280)</b>	\$	1,090	\$ (15)
Rig terminations and other - domestic	\$	<b>—</b>	\$	(59)	\$ —
Rig terminations and other - international	\$	<b>—</b>	\$	(13)	\$ —

<sup>(a)</sup> Results included significant items affecting comparability discussed in the footnotes below.

<sup>(b)</sup> The 2021 amount included \$282 million of asset impairments primarily related to undeveloped leases that either expired or were set to expire in the near-term where Occidental had no plans to pursue exploration activities. 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.

<sup>(c)</sup> 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.

<sup>(d)</sup> The 2021 amount included \$27 million in post-closing consideration earned from 2020 asset sales as a result of certain production and pricing targets being met. 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 ECOPETROL S.A. (Ecopetrol) and a loss on sale of real estate assets.

<sup>(e)</sup> The 2021 amount primarily included \$55 million in post-closing consideration earned from 2020 asset sales as a result of certain production and pricing targets being met. 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, 2021, and includes a year-over-year change calculation:

	2021	Year over Year Change	2020 <sup>(a)</sup>	Year over Year Change	2019 <sup>(a)</sup>
<b>Average Realized Prices</b>					
<b>Oil (\$/Bbl)</b>					
United States	\$ 66.39	82 %	\$ 36.39	(33)%	\$ 54.31
International	\$ 65.08	57 %	\$ 41.50	(33)%	\$ 62.00
Total worldwide	\$ 66.14	77 %	\$ 37.34	(34)%	\$ 56.26
<b>NGL (\$/Bbl)</b>					
United States	\$ 30.62	156 %	\$ 11.98	(25)%	\$ 16.03
International	\$ 26.13	61 %	\$ 16.22	(26)%	\$ 21.85
Total worldwide	\$ 30.01	139 %	\$ 12.58	(27)%	\$ 17.20
<b>Natural Gas (\$/Mcf)</b>					
United States	\$ 3.30	180 %	\$ 1.18	(10)%	\$ 1.31
International	\$ 1.69	1 %	\$ 1.67	1 %	\$ 1.66
Total worldwide	\$ 2.87	119 %	\$ 1.31	(10)%	\$ 1.45

<sup>(a)</sup> 2020 and 2019 average realized prices have been adjusted to reflect the exclusion of Colombia, which was sold in 2020.

Domestic oil and gas results, excluding significant items affecting comparability, increased in 2021 compared to 2020 primarily due to higher realized oil, NGL and natural gas prices, partially offset by higher DD&A rates and overall lower oil volumes, primarily in the Permian Basin and DJ Basin.

International oil and gas results, excluding significant items affecting comparability, increased in 2021 compared to 2020 primarily due to higher oil prices partially offset by lower oil volumes.

### 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, 2021, and includes a year-over-year change calculation:

Production per Day, Ongoing Operations (Mboe/d)	2021	Year over Year Change	2020	Year over Year Change	2019
<b>United States</b>					
Permian	487	(15)%	575	13 %	509
Rockies & Other Domestic	302	(9)%	332	126 %	147
Gulf of Mexico	144	11 %	130	124 %	58
Total	933	(10)%	1,037	45 %	714
<b>International</b>					
Algeria & Other International	44	(2)%	45	88 %	24
Al Hosn Gas	76	(3)%	78	(5)%	82
Dolphin	40	(9)%	44	5 %	42
Oman	74	(13)%	85	(4)%	89
Total	234	(7)%	252	6 %	237
<b>Total Production from Ongoing Operations</b>	<b>1,167</b>	<b>(9)%</b>	<b>1,289</b>	<b>36 %</b>	<b>951</b>
Operations exited <sup>(a)</sup>	16	(72)%	58	(26)%	78
<b>Total Production (Mboe/d) <sup>(b)</sup></b>	<b>1,183</b>	<b>(12)%</b>	<b>1,347</b>	<b>31 %</b>	<b>1,029</b>

<sup>(a)</sup> Operations exited include the Ghana assets (sold in October 2021), the Colombia onshore assets (sold in December 2020) and the Qatar Idd El Shargi Fields (exited in 2019).

<sup>(b)</sup> 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 decreased in 2021 compared to 2020 primarily due to maintaining capital expenditures at a level to sustain production at the rate Occidental exited 2020.

### 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, 2021:

	2021		2020		2019	
<b>Average lease operating expense per Boe</b>	<b>\$</b>	<b>7.58</b>	<b>\$</b>	6.38	<b>\$</b>	9.07

Average lease operating expense per Boe increased in 2021 compared to 2020 primarily as a result of higher maintenance, support and workover costs in the Gulf of Mexico, including additional costs associated with platforms reaching the end of their useful life, as well as higher energy and purchase injectant costs in the Permian, partially offset by continued operational efficiencies which decreased down hole maintenance and workover and support costs in the Permian.

### CHEMICAL SEGMENT

<i>millions</i>	2021		2020		2019	
<b>Segment Sales</b>	<b>\$</b>	<b>5,246</b>	<b>\$</b>	3,733	<b>\$</b>	4,102
<b>Segment Results</b>	<b>\$</b>	<b>1,544</b>	<b>\$</b>	664	<b>\$</b>	799

Chemical segment results increased in 2021 compared to 2020 due to improved demand due to improved U.S. economic growth and higher prices across most product lines, including caustic soda and PVC, partially offset by higher raw material costs, primarily ethylene and energy.

### MIDSTREAM AND MARKETING SEGMENT

<i>millions</i>	2021		2020		2019	
<b>Segment Sales</b>	<b>\$</b>	<b>2,863</b>	<b>\$</b>	1,768	<b>\$</b>	4,132
<b>Segment Results <sup>(a)</sup></b>	<b>\$</b>	<b>257</b>	<b>\$</b>	(4,175)	<b>\$</b>	241
<b>Items affecting comparability</b>						
Asset sales gains (losses) and others, net <sup>(b)</sup>	<b>\$</b>	<b>124</b>	<b>\$</b>	(46)	<b>\$</b>	114
Goodwill impairments and other charges <sup>(c)</sup>	<b>\$</b>	<b>(21)</b>	<b>\$</b>	(4,194)	<b>\$</b>	(1,002)
Derivative gains (losses), net <sup>(d)</sup>	<b>\$</b>	<b>(252)</b>	<b>\$</b>	97	<b>\$</b>	(184)

<sup>(a)</sup> Results included significant items affecting comparability discussed in the footnotes below.

<sup>(b)</sup> The 2021 amount included a \$102 million gain from the sale of 11.5 million limited partner units in WES. 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).

<sup>(c)</sup> 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.

<sup>(d)</sup> The 2019 amount represented a \$30 million mark-to-market gain on an interest rate swap for WES and other derivative mark-to-market activity.

Midstream and marketing segment results, excluding items affecting comparability, increased in 2021 compared to 2020, primarily due to improved marketing results from higher crude oil prices and higher sulfur prices at Al Hosn Gas.

**CORPORATE**

Significant corporate items include the following:

<i>millions</i>	2021	2020	2019
<b>Items Affecting Comparability</b>			
Anadarko acquisition-related costs <sup>(a)</sup>	\$ (153)	\$ (339)	\$ (1,647)
Bridge loan financing fees <sup>(a)</sup>	\$ —	\$ —	\$ (122)
Acquisition-related pension & termination benefits <sup>(a)</sup>	\$ —	\$ 114	\$ 37
Interest rate swap gains (losses), net <sup>(b)</sup>	\$ 122	\$ (428)	\$ 122
Early debt extinguishment expenses and other	\$ (118)	\$ —	\$ (22)
Warrants gains, net <sup>(b)</sup>	\$ —	\$ 5	\$ 81

<sup>(a)</sup> See Note 5 - Acquisitions, Divestitures and Other Transactions in the Notes to Consolidated Financial Statements in Part II Item 8 of this Form 10-K for more information.

<sup>(b)</sup> See Note 8 - Derivatives in the Notes to the Consolidated Financial Statements in Part II Item 8 of this Form 10-K for more information.

**INCOME TAXES**

Total deferred tax assets, after valuation allowance, were \$3.5 billion and \$4.3 billion as of December 31, 2021 and 2020, 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 \$10.5 billion and \$11.4 billion as of December 31, 2021 and 2020, respectively. The decrease in net deferred tax liability in 2021 compared to 2020 was primarily driven by the impact of lower capital spending and domestic asset impairments for which Occidental does not receive an immediate tax benefit, partially offset by the utilization of net operating losses and other tax attributes.

**LEGAL ENTITY REORGANIZATION**

In order to align Occidental's legal entity structure with the nature of its business activities after completing the acquisition of Anadarko and subsequent large scale post-Acquisition divestiture program, management has undertaken a legal entity reorganization that is expected to be completed in the first quarter of 2022.

As a result of this legal entity reorganization, management will make an adjustment to the tax basis in a portion of its operating assets, thus reducing Occidental's deferred tax liabilities. Accordingly, in the first quarter of 2022, Occidental will record a one-time non-cash tax benefit that is currently estimated not to exceed \$2.6 billion, in connection with this reorganization. The timing of any reduction in Occidental's future cash taxes as a result of this legal entity reorganization will be dependent on a number of factors, including prevailing commodity prices, capital activity level and production mix. Occidental will complete its review of its tax basis calculations, fair value assessments and other information and will finalize the adjustment to its deferred tax liabilities during the first quarter of 2022.

**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>	2021	2020	2019
<b>SEGMENT RESULTS</b>			
Oil and gas	\$ 4,145	\$ (9,632)	\$ 2,520
Chemical	1,544	664	799
Midstream and marketing	257	(4,175)	241
Unallocated corporate items	(2,241)	(2,562)	(3,206)
Income (loss) from continuing operations before taxes	\$ 3,705	\$ (15,705)	\$ 354
Income tax benefit (expense)			
Federal and state	(247)	2,607	34
Foreign	(668)	(435)	(895)
Total income tax benefit (expense)	(915)	2,172	(861)
Income (loss) from continuing operations	\$ 2,790	\$ (13,533)	\$ (507)
Worldwide effective tax rate	25 %	14 %	243 %



In 2021, Occidental's worldwide effective tax rate was 25%, which was higher than the U.S. statutory rate of 21% due to higher tax rates in the foreign jurisdictions in which Occidental operates, partially offset by the tax impact of business credits, state tax revaluations and other domestic tax benefits.

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 international operations which generally caused Occidental's tax rate to vary significantly from the U.S. corporate tax rate.

## CONSOLIDATED RESULTS OF OPERATIONS

### REVENUE AND OTHER INCOME ITEMS

<i>millions</i>	2021		2020		2019	
Net sales	\$	25,956	\$	17,809	\$	20,911
Interest, dividends and other income	\$	166	\$	118	\$	217
Gains (losses) on sale of assets, net	\$	192	\$	(1,666)	\$	622

### NET SALES

Price and volume changes generally represent the majority of the change in the oil and gas and chemical segments sales. Midstream and marketing sales generally represent the margins earned by the marketing business as it strives to optimize the use of its transportation, storage and terminal commitments to provide access to domestic and international markets and, to a lesser extent, NGL and sulfur revenues from the gas processing business.

The increase in net sales in 2021 compared to 2020 was primarily due to higher realized commodity prices, which were partially offset by lower oil volumes. Chemical sales increased primarily due to higher prices and volumes across all product lines, specifically PVC, VCM and caustic due to increased domestic demand and record high pricing in global markets. Midstream and marketing sales improved due to the rising crude oil price environment and its impact on export sales and higher realized sulfur prices at Al Hosn Gas.

### GAINS (LOSSES) ON SALE OF ASSETS, NET

The 2021 gains on sales of assets, net, was primarily comprised of a gain from the sale of limited partner units of WES in the first quarter of 2021 as well as post-closing consideration earned on 2020 asset sales as a result of certain production and pricing targets being met. Losses on asset sales in 2020 included \$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 an exchange of 27.9 million WES limited partner units to retire a \$260 million note payable to WES.

### EXPENSE ITEMS

<i>millions</i>	2021		2020		2019	
Oil and gas operating expense	\$	3,160	\$	3,065	\$	3,282
Transportation and gathering expense	\$	1,419	\$	1,600	\$	635
Chemical and midstream cost of sales	\$	2,772	\$	2,408	\$	2,791
Purchased commodities	\$	2,308	\$	1,395	\$	1,679
Selling, general and administrative	\$	863	\$	864	\$	893
Other operating and non-operating expense	\$	1,065	\$	884	\$	1,421
Depreciation, depletion and amortization	\$	8,447	\$	8,097	\$	6,140
Asset impairments and other charges	\$	304	\$	11,083	\$	1,361
Taxes other than on income	\$	1,005	\$	622	\$	840
Anadarko Acquisition-related costs	\$	153	\$	339	\$	1,647
Exploration expense	\$	252	\$	132	\$	247
Interest and debt expense, net	\$	1,614	\$	1,424	\$	1,066

**OIL AND GAS OPERATING EXPENSE**

Oil and gas operating expense increased in 2021 from the prior year, primarily as a result of higher maintenance, support and workover costs in the Gulf of Mexico, including additional costs associated with platforms reaching the end of their useful life, as well as higher energy and purchase injectant costs in the Permian, partially offset by continued operational efficiencies which decreased down hole maintenance and workover and support costs in the Permian.

**TRANSPORTATION AND GATHERING EXPENSE**

Transportation and gathering expense decreased in 2021 from the prior year, primarily as a result of lower domestic oil and gas production volumes.

**CHEMICAL AND MIDSTREAM COST OF SALES**

Chemical and midstream cost of sales increased in 2021 from the prior year, primarily due to higher ethylene and energy costs in the chemical segment and higher energy costs in the midstream segment.

**PURCHASED COMMODITIES**

Purchased commodities increased in 2021 largely as a result of higher 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 increased in 2021 from the prior year, primarily due to a net gain in 2020 related to the settlement, curtailment and special termination benefits on pension plans acquired in the Acquisition.

**DEPRECIATION, DEPLETION AND AMORTIZATION**

Depreciation, depletion and amortization (DD&A) expense increased in 2021 from the prior year, primarily due to higher DD&A rates primarily in the onshore U.S. domestic assets. As a result of Occidental's mid-year reserve review undertaken in the second quarter of 2021, DD&A rates for the second half of 2021 were lower compared to the first half of 2021 due to increased proved reserves primarily related to positive price revisions. Proved oil, NGL and natural gas reserves were estimated during this mid-year review using the unweighted arithmetic average of the first-day-of-the-month price for each month for the twelve months ended June 30, 2021, unless prices were defined by contractual arrangements.

**ASSET IMPAIRMENTS AND OTHER CHARGES**

In 2021, asset impairments and other charges of \$304 million were mainly comprised of the impairment of undeveloped leases that either expired or were set to expire in the near-term where Occidental had no plans to pursue exploration activities. 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. Also 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. In 2021, impairments included \$276 million related to undeveloped leases that either expired or were set to expire in the near-term, where Occidental had no plans to pursue exploration activities.

**TAXES OTHER THAN ON INCOME**

Taxes other than on income in 2021 increased from the prior year, primarily due to higher production taxes, which are directly tied to higher commodity prices.

**OTHER ITEMS**

Income (expense) <i>millions</i>	2021		2020		2019	
Gains (losses) on interest rate swaps and warrants	\$	122	\$	(423)	\$	233
Income from equity investments	\$	631	\$	370	\$	373
Income tax benefit (expense)	\$	(915)	\$	2,172	\$	(861)

**GAINS (LOSSES) ON INTEREST RATE SWAPS AND WARRANTS**

Gains on interest rate swaps in 2021 were due to an increase in the floating reference rate of interest rate swaps.

**INCOME FROM EQUITY INVESTMENTS**

Income from equity investments in 2021 increased as a result of higher earnings from WES as income from equity earnings in 2020 included a loss of \$240 million related to WES's write-off of its goodwill.

**INCOME TAX BENEFIT (EXPENSE)**

Income tax expense increased in 2021 from the prior year, as a result of higher pre-tax income, which was primarily related to higher commodity prices.

**LOSS FROM DISCONTINUED OPERATIONS, NET**

Discontinued operations, net, primarily included a \$437 million after-tax loss contingency associated with Occidental's former operations in Ecuador, see [Note - 13 Lawsuits, Claims, Commitments and Contingencies](#) in the Notes to Consolidated Financial Statements in Part II Item 8 of this Form 10-K for more information. In addition, discontinued operations, net was associated with operations in Ghana which were sold in October 2021.

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**LIQUIDITY AND CAPITAL RESOURCES**

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**CASH ON HAND**

As of December 31, 2021, Occidental had approximately \$2.8 billion in cash and cash equivalents. A substantial majority of this cash is held and available for use in the United States.

**SOURCES AND USES OF CASH**

In the current commodity price environment, Occidental expects to fund its operational and capital requirements as well as return capital to its shareholders via an increase in common dividends and a reactivated share repurchase program with cash flows from operations. Sustained strength in commodity prices and the resultant cash flow generated will also allow Occidental to continue to strengthen its balance sheet by reducing debt and other financial obligations. Occidental currently expects its operational cash flows and cash on hand to be sufficient to meet its current debt maturities and other obligations for the next 12 months from the date of this filing. Should commodity prices return to their 2020 lows, Occidental's \$4.0 billion RCF, receivables securitization facility and access to capital markets are available to meet its ongoing capital needs, purchase obligations, near-term debt maturities and other liabilities and financial obligations, if required.

Occidental's 2022 capital budget is \$3.9 billion to \$4.3 billion, of which only a small percentage is allocated to non-cancellable commitments.

As of December 31, 2021, Occidental had \$101 million in current maturities of long-term debt through December 31, 2022, and an additional \$465 million in long-term obligations due in 2023. The current maturities of long-term debt were paid in January 2022.

As of December 31, 2021, Occidental had \$268 million in non-cancelable lease payments due in 2022, and an additional \$212 million in non-cancelable lease payments due in 2023.

Dividends on common and preferred stock were \$839 million for the year ended December 31, 2021.

Occidental is party to various purchase agreements that are not accounted for as leases or otherwise accrued as liabilities as of December 31, 2021. These agreements consist primarily of obligations to secure terminal, pipeline and processing capacity, purchase services used in the normal course of business including transporting and disposing of produced water, purchase goods used in the production of finished goods including certain chemical raw materials and power and agreements relating to equipment maintenance and service. The amounts that will be paid for such outstanding off-balance sheet purchase obligations as of December 31, 2021 are \$3.0 billion in 2022, \$4.3 billion in 2023 and 2024, \$2.6 billion in 2025 and 2026 and \$2.6 billion in 2027 and thereafter.

**SHARE REPURCHASE PROGRAM**

On February 10, 2022, the Board of Directors authorized a new share repurchase program with a maximum dollar limit of \$3 billion and no set term limits, which supersedes the previously authorized share repurchase program.



The following table summarizes and cross-references Occidental's contractual obligations and indicates on- and off-balance sheet obligations as of December 31, 2021. Commitments related to held for sale assets are excluded.

millions	Total	Payments Due by Year			
		2022	2023 and 2024	2025 and 2026	2027 and thereafter
<b>On-Balance Sheet</b>					
Current portion of long-term debt (Note 6) <sup>(a)</sup>	\$ 101	\$ 101	\$ —	\$ —	\$ —
Long-term debt (Note 6) <sup>(a)</sup>	28,392	—	2,191	5,264	20,937
Expected interest payments on long-term debt	17,087	1,448	2,835	2,513	10,291
Leases (Note 7) <sup>(b)</sup>	1,560	268	393	297	602
Asset retirement obligations (Note 1)	4,026	339	906	569	2,212
Other long-term liabilities <sup>(c)</sup>	3,183	1	861	299	2,022
<b>Off-Balance Sheet</b>					
Purchase obligations <sup>(d)</sup>	12,463	3,033	4,291	2,571	2,568
<b>Total</b>	<b>\$ 66,812</b>	<b>\$ 5,190</b>	<b>\$ 11,477</b>	<b>\$ 11,513</b>	<b>\$ 38,632</b>

(a) Excluded unamortized debt discount and interest.

(b) Occidental is the lessee under various agreements for real estate, equipment, plants and facilities.

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

(d) Amounts included 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, CO<sub>2</sub>, electrical power, steam and certain chemical raw materials including but not limited to capital commitments. Amounts excluded 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 were discounted at a 4.99% discount rate.

## DEBT ACTIVITY

Occidental recently completed its large scale asset divestiture program and used the net proceeds from asset sales and free cash flow to repay near and medium-term debt maturities. During 2021, through repayments and cash tenders Occidental reduced its face value of borrowings by \$6.7 billion from \$35.2 billion as of December 31, 2020, to \$28.5 billion as of December 31, 2021.

In January 2022, Occidental used cash on hand to repay of \$101 million in outstanding 2.600% senior notes due April 2022, which were called in December 2021. Subsequent to the repayment of this note, there are no remaining 2022 debt maturities.

In the fourth quarter of 2021, Occidental completed a cash tender offer for outstanding senior notes with a face value of \$1.5 billion and maturities ranging from 2024 to 2049 and called and repaid \$627 million of senior notes due 2022. In the third quarter of 2021, Occidental completed a cash tender for outstanding senior notes with a face value of \$3.0 billion and maturities ranging from 2022 through 2026, paid \$224 million of senior notes upon maturity and fully retired \$1.1 billion of floating interest rate notes due August 2022. In the first quarter of 2021, Occidental repaid \$174 million of debt upon maturity.

In December 2021, Occidental entered into the Second Amended and Restated Credit Agreement on its existing \$5.0 billion RCF in which the total commitment was decreased to \$4.0 billion, the London Interbank Offered Rate (LIBOR) benchmark was changed to SOFR, an environmental key performance indicator was added with regard to scope 1 and 2 GHG emissions from worldwide operated assets, making this a sustainability-linked loan, and the facility maturity date was extended to June 30, 2025. As of December 31, 2021, 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 common stock.

See [Note 6 - 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.

## GUARANTEES

Occidental has entered into various guarantees, indemnities and commitments provided by Occidental to third parties, mainly to provide assurance that Occidental or its consolidated subsidiaries or affiliates will meet their various obligations.

**CASH FLOW ANALYSIS****CASH PROVIDED BY OPERATING ACTIVITIES**

<i>millions</i>	2021		2020		2019
Operating cash flow from continuing operations	\$	10,253	\$	3,842	\$ 7,336
Operating cash flow from discontinued operations, net of taxes		181		113	39
Net cash provided by operating activities	\$	10,434	\$	3,955	\$ 7,375

Cash provided by operating activities increased in 2021 compared to 2020, primarily due to higher commodity prices, especially for oil, as average WTI and Brent prices increased by 72% and 64%, respectively. The chemical segment also generated substantial operating cash flows largely due to higher demand for most chemical products including caustic soda and PVC and higher pricing relative to 2020. The overall increase in operating cash flows was partially offset by an increase in working capital related to receivables, which increased largely as a result of higher commodity prices.

**CASH USED BY INVESTING ACTIVITIES**

<i>millions</i>	2021		2020		2019
Capital expenditures					
Oil and gas	\$	(2,409)	\$	(2,208)	\$ (5,512)
Chemical		(308)		(255)	(267)
Midstream and marketing		(106)		(50)	(461)
Corporate		(47)		(22)	(127)
Total	\$	(2,870)	\$	(2,535)	\$ (6,367)
Changes in capital accrual		97		(519)	(249)
Purchase of businesses and assets, net		(431)		(114)	(28,088)
Proceeds from sale of assets and equity investments, net		1,624		2,281	6,143
Other investing activities, net		406		109	(291)
Investing cash flows from continuing operations	\$	(1,174)	\$	(778)	\$ (28,852)
Investing cash flows from discontinued operations		(79)		(41)	(175)
Net cash used by investing activities	\$	(1,253)	\$	(819)	\$ (29,027)

Cash flows used by investing activities increased by \$434 million in 2021 compared to 2020. In 2020, Occidental reduced capital spending in response to the COVID-19 pandemic and targeted its capital spend in 2021 to maintain Q4 production and other maintenance capital for operating segments. Additionally, Occidental completed its major divestiture plans, reducing proceeds from asset sales year over year. See [Note 5 - Acquisitions, 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 2021, 2020 and 2019. In addition, Occidental received a \$450 million return of investment from DEL, which is being presented in other investing activities, net, and acquired an additional working interests in certain assets in the Permian Basin and the Gulf of Mexico for approximately \$360 million.

**CASH PROVIDED (USED) BY FINANCING ACTIVITIES**

<i>millions</i>	2021		2020		2019
Financing cash flows from continuing operations	\$	(8,564)	\$	(4,508)	\$ 22,196
Financing cash flows from discontinued operations		(8)		(8)	(3)
Net cash provided (used) by financing activities	\$	(8,572)	\$	(4,516)	\$ 22,193

Cash used by financing activities increased by \$4.0 billion compared to 2020 primarily due to the 2021 debt tenders and repayments. See [Note 6 - 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. In addition, cash used by financing activities reflected cash dividend payments of \$839 million on preferred and common stock and \$815 million paid in advance of the mandatory termination dates of interest rate swaps during the third quarter of 2021.



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## LAWSUITS, CLAIMS, COMMITMENTS AND CONTINGENCIES

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### 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 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. Reserves for matters, other than for environmental remediation and the arbitration award disclosed below, that satisfy this criteria as of December 31, 2021 and 2020, 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. On March 26, 2021, the arbitration tribunal issued an award in favor of Andes and against Occidental Exploration and Production Company (OEP) in the amount of \$391 million plus interest. In June 2021, OEP filed a motion to vacate the award due to concerns regarding the validity of the award. In addition, OEP has made a demand for significant additional claims not addressed by the arbitration tribunal that OEP has against Andes relating to Andes' 40% share of costs, liabilities, losses and expenses due under the farmout agreement and joint operating agreement to which Andes and OEP are parties. In December 2021, the U.S. District Court Southern District of New York confirmed the arbitration award, plus prejudgment interest, in the aggregate amount of \$558 million. OEP has appealed the judgement.

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 attempted to reject some of the agreements related to the purchase of Anadarko's Eagle Ford Shale assets (the Bankruptcy Litigation). If Sanchez was permitted to reject certain of those agreements, then Anadarko may owe deficiency payments to various third parties. In December 2021, Occidental and certain of its affiliates entered into an agreement to resolve the Bankruptcy Litigation. Occidental recorded a contingency reserve as of September 30, 2021, associated with the settlement.

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 international tax jurisdictions. Tax years through 2017 for U.S. federal income tax purposes have been audited by the IRS pursuant to its Compliance Assurance Program and subsequent taxable years are currently under review. Tax years through 2012 have been audited for state income tax purposes. Significant audit matters in international 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.

For Anadarko, its taxable years through 2014 and tax year 2016 for U.S. federal tax purposes have been audited by the IRS. Tax years through 2008 have been audited for state income tax purposes. There is one outstanding significant tax matter in an international jurisdiction related to a discontinued operation. 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 a trial date has been set for July 2022 and 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 \$1 billion in federal taxes, \$27 million in state taxes and accrued interest of \$314 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, 2021, 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, 2021, Occidental participated in or monitored remedial activities or proceedings at 165 sites. The following table presents Occidental's current and non-current environmental remediation liabilities as of December 31, 2021 and 2020, the current portion of which is included in accrued liabilities (\$155 million in 2021 and \$123 million in 2020) and the remainder in deferred credits and other liabilities - environmental remediation liabilities (\$0.9 billion in 2021 and \$1.0 billion in 2020).

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>	2021		2020	
	Number of Sites	Remediation Balance	Number of Sites	Remediation Balance
NPL sites	30	\$ 427	35	\$ 447
Third-party sites	69	273	69	293
Occidental-operated sites	15	122	17	144
Closed or non-operated Occidental sites	51	277	49	267
<b>Total</b>	<b>165</b>	<b>\$ 1,099</b>	<b>170</b>	<b>\$ 1,151</b>

As of December 31, 2021, Occidental's environmental liabilities exceeded \$10 million each at 20 of the 165 sites described above and 96 of the sites had liabilities from \$0 to \$1 million each. As of December 31, 2021, two sites — the Maxus Energy Corporation (Maxus)-indemnified Diamond Alkali Superfund Site and a landfill in Western New York — accounted for 96% of its liabilities associated with NPL sites. 14 of the 30 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 75% of Occidental's liabilities associated with these sites. Nine of the 69 third-party sites are indemnified by Maxus.

Four sites — oil and gas operations in Colorado and chemical plants in Kansas, Louisiana and Texas — accounted for 69% of the liabilities associated with the Occidental-operated sites. Ten other sites — a landfill in Western New York, a



former refinery in Oklahoma, former chemical plants in California, Delaware, Michigan, New York, Ohio, Tennessee and Washington, and a closed coal mine in Pennsylvania — accounted for 75% 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 \$28 million, \$36 million and \$112 million for the years ended December 31, 2021, 2020 and 2019, 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 40% 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 \$1.3 billion.

### MAXUS ENVIRONMENTAL SITES

When Occidental acquired Diamond Shamrock Chemicals Company (DSCC) in 1986, Maxus, a subsidiary of YPF S.A., 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 with 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 and 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 and the ROD, or to perform other remediation activities at the Site.

In September 2021, the EPA issued a ROD with an estimated cost of \$441 million for an interim remedy plan for the upper nine miles of the Lower Passaic River. At this time, Occidental's role or responsibilities under this ROD, and those of other potentially responsible parties, have not been determined with the EPA. Discussions between Occidental and the EPA are ongoing about this ROD.

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.

**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>	2021		2020		2019	
<b>Operating Expenses</b>						
Oil and gas	\$	267	\$	176	\$	174
Chemical		88		73		80
Midstream and marketing		6		4		12
Total	\$	361	\$	253	\$	266
<b>Capital Expenditures</b>						
Oil and gas	\$	87	\$	74	\$	109
Chemical		66		40		34
Midstream and marketing		1		1		4
Total	\$	154	\$	115	\$	147
<b>Remediation Expenses</b>						
Corporate	\$	28	\$	36	\$	112

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 as of December 31, 2021, 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
<b>North America</b>									
United States	\$	51,805	\$	4,465	\$	7,761	\$	3,101	\$ 67,132
Canada		—		121		62		—	183
<b>Middle East</b>		3,475		—		3,205		—	6,680
<b>North Africa and Other</b>		852		85		104		—	1,041
Consolidated	\$	56,132	\$	4,671	\$	11,132	\$	3,101	\$ 75,036

For the year ended December 31, 2021, net sales outside North America totaled \$4.2 billion, or approximately 16% of total net sales.

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## **CRITICAL ACCOUNTING POLICIES AND ESTIMATES**

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The process of preparing financial statements in accordance with United States Generally Accepted Accounting Principles (GAAP) 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. AROs 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. As a result of Occidental's mid-year reserve review undertaken in the second quarter of 2021, DD&A rates for the second half of 2021 were lower compared to the first half of 2021 due to increased proved reserves primarily related to positive price revisions. Proved oil, NGL and natural gas reserves were estimated during this mid-year review using the unweighted arithmetic average of the first-day-of-the-month price for each month for the twelve months ended June 30, 2021, unless prices were defined by contractual arrangements.

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.

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 unless observable and comparable transactions are available. 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 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 \$14.8 billion as of December 31, 2021, and \$18.6 billion as of December 31, 2020. 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 \$0.65/Bbl, which would increase or decrease pre-tax income by approximately \$275 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 published prices or counterparty statements 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 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 \$110 million. If the balance were increased by 10%, Occidental would record an additional remediation expense of \$110 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). See [Note 10 - 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 13 - 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.



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## SAFE HARBOR DISCUSSION REGARDING OUTLOOK AND OTHER FORWARD-LOOKING DATA

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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," "commit," "advance," "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. In addition, historical, current and forward-looking sustainability-related statements may be based on standards for measuring progress that are still developing, internal controls and processes that continue to evolve and assumptions that are subject to change in the future. 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 ongoing 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 and 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; 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; inflation; governmental actions, war 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, deep-water and onshore drilling and permitting regulations and environmental regulation (including regulations related to climate change); environmental risks and liability under federal, regional, state, provincial, tribal, local and international environmental laws and regulations (including remedial actions); Occidental's ability to recognize intended benefits from its business strategies and initiatives, such as OLCV or announced GHG emissions reduction targets or net-zero goals; 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, power outages, 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; supply, transportation, and labor constraints; reorganization or restructuring of Occidental's operations; changes in state, federal or international tax rates; and actions by third parties that are beyond Occidental's control.

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 SEC, 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 budgeted 2022 pre-tax annual income by approximately \$200 million for a \$1 per barrel change in oil prices and approximately \$30 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 budgeted 2022 pre-tax income of approximately \$40 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 budgeted 2022 operating cash flows by approximately \$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 forwards derivative instruments to manage its exposure to commodity price fluctuations for oil and natural gas and swaps to manage interest rate risks.

**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.

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) <i>millions</i>	Maturity Periods				Total
	2022	2023 and 2024	2025 and 2026	2027 and thereafter	
Prices actively quoted	\$ (91)	\$ —	\$ —	\$ —	\$ (91)
Prices provided by other external sources	(23)	—	—	—	(23)
Total	\$ (114)	\$ —	\$ —	\$ —	\$ (114)

**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 pays fixed interest rates and receives a floating interest rate indexed to three-month LIBOR on its interest rate swaps. The remaining swaps have mandatory termination dates in September 2022 and 2023 with notional amounts of \$275 million and \$450 million, respectively, as of December 31, 2021. As of December 31, 2021, Occidental had a net liability of approximately \$428 million based on the fair value of the swaps of negative \$751 million netted against \$323 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 \$88 million on these swaps.

As of December 31, 2021, Occidental had variable rate debt with a notional value of \$68 million outstanding. A 25-basis point increase in LIBOR interest rates would increase gross interest expense approximately \$1.7 million per year.

As of December 31, 2021, Occidental had fixed rate debt with a fair value of \$31.1 billion outstanding. A 25-basis point change in Treasury rates would change the fair value of the fixed rate debt approximately \$629 million.

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

<i>millions except percentages</i>	U.S. Dollar Fixed-Rate Debt		U.S. Dollar Variable-Rate Debt		Total <sup>(a)</sup>
2022 <sup>(b)</sup>	\$	101	\$	—	\$ 101
2023		465		—	465
2024		1,725		—	1,725
2025		2,476		—	2,476
2026		2,788		—	2,788
Thereafter		20,870		68	20,938
Total	\$	28,425	\$	68	\$ 28,493
Weighted-average interest rate		5.10%		0.90 %	5.09%
Fair Value	\$	31,075	\$	68	\$ 31,143

<sup>(a)</sup> Excluded net unamortized debt premiums of \$670 million and debt issuance costs of \$135 million.

<sup>(b)</sup> In January 2022, Occidental used cash on hand to repay \$101 million in outstanding 2.600% senior notes due April 2022 at face value.

## 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. 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, if any.

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 as of December 31, 2021 was \$107 million (net of \$323 million collateral) and \$104 million (net of \$374 million collateral) as of December 31, 2020. Credit-risk-contingent features are primarily related to interest rate swaps.

As of December 31, 2021, the substantial majority of the credit exposures were with investment grade counterparties. Occidental believes its exposure to credit-related losses as of December 31, 2021, was not material and losses associated with credit risk have been insignificant for all years presented.

**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, 2021 and 2020, 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, 2021, 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, 2021 and 2020, and the results of its operations and its cash flows for each of the years in the three-year period ended December 31, 2021, 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, 2021, 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 24, 2022 expressed an unqualified opinion on the effectiveness of the Company's internal control over financial reporting.

*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 12 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, 2021, the Company's total estimated environmental liabilities were \$1.1 billion, which includes the estimated environmental liability for the lower 8.3 miles of the Lower Passaic River site.

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, 2021, the Company recorded depreciation and depletion expense related to proved oil and gas properties of \$7.7 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.

/s/ KPMG LLP

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

Houston, Texas  
February 24, 2022

**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, 2021, 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, 2021, 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, 2021 and 2020, 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, 2021, and the related notes and financial statement schedule II – valuation and qualifying accounts (collectively, the consolidated financial statements), and our report dated February 24, 2022 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 24, 2022



## Consolidated Balance Sheets

Occidental Petroleum Corporation  
and Subsidiaries

<i>millions</i>	<b>December 31,</b>	
	<b>2021</b>	<b>2020</b>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 2,764	\$ 2,008
Restricted cash and restricted cash equivalents	24	170
Trade receivables, net of reserves of \$35 in 2021 and \$24 in 2020	4,208	2,115
Inventories	1,846	1,898
Assets held for sale	72	1,433
Other current assets	1,297	1,195
<b>Total current assets</b>	<b>10,211</b>	<b>8,819</b>
<b>INVESTMENTS IN UNCONSOLIDATED ENTITIES</b>	<b>2,938</b>	<b>3,250</b>
<b>PROPERTY, PLANT AND EQUIPMENT</b>		
Oil and gas	101,251	102,454
Chemical	7,571	7,356
Midstream and marketing	8,371	8,232
Corporate	964	922
	<b>118,157</b>	<b>118,964</b>
Accumulated depreciation, depletion and amortization	<b>(58,227)</b>	<b>(53,075)</b>
<b>Total property, plant and equipment, net</b>	<b>59,930</b>	<b>65,889</b>
<b>OPERATING LEASE ASSETS</b>	<b>726</b>	<b>1,062</b>
<b>LONG-TERM RECEIVABLES AND OTHER ASSETS, NET</b>	<b>1,231</b>	<b>1,044</b>
<b>TOTAL ASSETS</b>	<b>\$ 75,036</b>	<b>\$ 80,064</b>

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



## Consolidated Balance Sheets

Occidental Petroleum Corporation  
and Subsidiaries

<i>millions except share and per-share amounts</i>	<b>December 31,</b>	
	<b>2021</b>	<b>2020</b>
<b>LIABILITIES AND EQUITY</b>		
<b>CURRENT LIABILITIES</b>		
Current maturities of long-term debt <sup>(a)</sup>	\$ 186	\$ 440
Current operating lease liabilities	186	473
Accounts payable	3,899	2,987
Accrued liabilities	4,046	3,570
Liabilities of assets held for sale	7	753
Total current liabilities	<b>8,324</b>	8,223
<b>LONG-TERM DEBT, NET</b>		
Long-term debt, net <sup>(b)</sup>	<b>29,431</b>	35,745
<b>DEFERRED CREDITS AND OTHER LIABILITIES</b>		
Deferred income taxes, net	7,039	7,113
Asset retirement obligations	3,687	3,977
Pension and postretirement obligations	1,540	1,763
Environmental remediation liabilities	944	1,028
Operating lease liabilities	585	641
Other	3,159	3,001
Total deferred credits and other liabilities	<b>16,954</b>	17,523
<b>EQUITY</b>		
Preferred stock, at \$1.00 per share par value (100,000 shares as of December 31, 2021 and 2020)	9,762	9,762
Common stock, \$0.20 per share par value, authorized shares: 1.5 billion, issued shares: 2021 — 1,083,423,094 and 2020 — 1,080,564,947	217	216
Treasury stock: 2021 — 149,348,394 shares and 2020 — 149,051,634 shares	<b>(10,673)</b>	(10,665)
Additional paid-in capital	16,749	16,552
Retained earnings	4,480	2,996
Accumulated other comprehensive loss	<b>(208)</b>	(288)
Total stockholders' equity	<b>20,327</b>	18,573
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>\$ 75,036</b>	\$ 80,064

<sup>(a)</sup> Included \$85 million and \$42 million of current finance lease liabilities as of December 31, 2021, and 2020, respectively.<sup>(b)</sup> Included \$504 million and \$316 million of finance lease liabilities as of December 31, 2021, and 2020, respectively.

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,		
	2021	2020	2019
<b>REVENUES AND OTHER INCOME</b>			
Net sales	\$ 25,956	\$ 17,809	\$ 20,911
Interest, dividends and other income	166	118	217
Gains (losses) on sale of assets, net	192	(1,666)	622
Total	26,314	16,261	21,750
<b>COSTS AND OTHER DEDUCTIONS</b>			
Oil and gas operating expense	3,160	3,065	3,282
Transportation and gathering expense	1,419	1,600	635
Chemical and midstream cost of sales	2,772	2,408	2,791
Purchased commodities	2,308	1,395	1,679
Selling, general and administrative	863	864	893
Other operating and non-operating expense	1,065	884	1,421
Depreciation, depletion and amortization	8,447	8,097	6,140
Asset impairments and other charges	304	11,083	1,361
Taxes other than on income	1,005	622	840
Anadarko Acquisition-related costs	153	339	1,647
Exploration expense	252	132	247
Interest and debt expense, net	1,614	1,424	1,066
Total	23,362	31,913	22,002
<b>Income (loss) before income taxes and other items</b>	2,952	(15,652)	(252)
<b>OTHER ITEMS</b>			
Gains (losses) on interest rate swaps and warrants, net	122	(423)	233
Income from equity investments	631	370	373
Total	753	(53)	606
<b>Income (loss) from continuing operations before income taxes</b>	3,705	(15,705)	354
Income tax benefit (expense)	(915)	2,172	(861)
<b>Income (loss) from continuing operations</b>	2,790	(13,533)	(507)
Loss from discontinued operations, net of tax	(468)	(1,298)	(15)
<b>NET INCOME (LOSS)</b>	2,322	(14,831)	(522)
Less: Net income attributable to noncontrolling interest	—	—	(145)
Less: Preferred stock dividends	(800)	(844)	(318)
<b>NET INCOME (LOSS) ATTRIBUTABLE TO COMMON STOCKHOLDERS</b>	1,522	(15,675)	(985)
<b>PER COMMON SHARE</b>			
Income (loss) from continuing operations—basic	\$ 2.12	\$ (15.65)	\$ (1.20)
Loss from discontinued operations—basic	(0.50)	(1.41)	(0.02)
Net income (loss) attributable to common stockholders—basic	\$ 1.62	\$ (17.06)	\$ (1.22)
Income (loss) from continuing operations—diluted	\$ 2.06	\$ (15.65)	\$ (1.20)
Loss from discontinued operations—diluted	(0.48)	(1.41)	(0.02)
Net income (loss) attributable to common stockholders—diluted	\$ 1.58	\$ (17.06)	\$ (1.22)

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,		
	2021	2020	2019
<b>Net income (loss)</b>	<b>\$ 2,322</b>	<b>\$ (14,831)</b>	<b>\$ (522)</b>
<b>Other comprehensive income (loss) items:</b>			
Gains (losses) on derivatives <sup>(a)</sup>	14	4	(127)
Pension and postretirement gains (losses) <sup>(b)</sup>	67	(71)	78
Other	(1)	—	—
Other comprehensive income (loss), net of tax	80	(67)	(49)
<b>Comprehensive income (loss)</b>	<b>2,402</b>	<b>(14,898)</b>	<b>(571)</b>
Less: Comprehensive income attributable to noncontrolling interests	—	—	(145)
<b>Comprehensive income (loss) attributable to preferred and common stockholders</b>	<b>\$ 2,402</b>	<b>\$ (14,898)</b>	<b>\$ (716)</b>

<sup>(a)</sup> Net of tax benefit (expense) of \$(4), \$(1) and \$36 in 2021, 2020 and 2019, respectively.

<sup>(b)</sup> Net of tax benefit (expense) of \$(18), \$24 and \$(25) in 2021, 2020 and 2019, respectively. See [Note 11 - 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.

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							Non-controlling Interests	Total Equity
	Preferred Stock	Common Stock	Treasury Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)			
<b>Balance, December 31, 2018</b>	\$ —	\$ 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)	
<b>Balance, December 31, 2019</b>	\$ 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)	
<b>Balance, December 31, 2020</b>	\$ 9,762	\$ 216	\$ (10,665)	\$ 16,552	\$ 2,996	\$ (288)	\$ —	\$ 18,573	
Net income	—	—	—	—	2,322	—	—	2,322	
Other comprehensive income, net of tax	—	—	—	—	—	80	—	80	
Dividends on common stock, \$0.04 per share	—	—	—	—	(38)	—	—	(38)	
Dividends on preferred stock, \$8,000 per share	—	—	—	—	(800)	—	—	(800)	
Shareholder warrants exercised	—	—	—	7	—	—	—	7	
Issuance of common stock and other, net	—	1	—	190	—	—	—	191	
Purchases of treasury stock	—	—	(8)	—	—	—	—	(8)	
<b>Balance, December 31, 2021</b>	\$ 9,762	\$ 217	\$ (10,673)	\$ 16,749	\$ 4,480	\$ (208)	\$ —	\$ 20,327	

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,		
	2021	2020	2019
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Net income (loss)	\$ 2,322	\$ (14,831)	\$ (522)
Adjustments to reconcile net income (loss) to net cash from operating activities:			
Discontinued operations, net	468	1,298	15
Depreciation, depletion and amortization of assets	8,447	8,097	6,140
Deferred income tax provision (benefit)	46	(2,517)	(1,027)
Other noncash charges to income	229	419	958
Asset impairments and other charges	304	11,002	1,328
(Gain) loss on sales of equity investments and other assets, net	(192)	1,666	(622)
Undistributed earnings from affiliates	(70)	(61)	(50)
Dry hole expense	125	47	89
Changes in operating assets and liabilities:			
(Increase) decrease in receivables	(2,086)	2,062	401
(Increase) decrease in inventories	(86)	(484)	78
(Increase) decrease in other current assets	(119)	350	170
Increase (decrease) in accounts payable and accrued liabilities	865	(3,228)	358
Increase in current domestic and foreign income taxes	—	22	20
Operating cash flow from continuing operations	10,253	3,842	7,336
Operating cash flow from discontinued operations, net of taxes	181	113	39
<b>Net cash provided by operating activities</b>	<b>10,434</b>	<b>3,955</b>	<b>7,375</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Capital expenditures	(2,870)	(2,535)	(6,367)
Change in capital accrual	97	(519)	(249)
Purchase of businesses and assets, net	(431)	(114)	(28,088)
Proceeds from sale of assets and equity investments, net	1,624	2,281	6,143
Equity investments and other, net	406	109	(291)
Investing cash flow from continuing operations	(1,174)	(778)	(28,852)
Investing cash flow from discontinued operations	(79)	(41)	(175)
<b>Net cash used by investing activities</b>	<b>(1,253)</b>	<b>(819)</b>	<b>(29,027)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Proceeds from long-term debt, net - Occidental	—	6,936	21,557
Payments of long-term debt, net - Occidental	(6,834)	(8,916)	(6,959)
Proceeds from long-term debt, net - WES	—	—	459
Proceeds from issuance of common and preferred stock	31	134	10,028
Purchases of treasury stock	(8)	(12)	(237)
Cash dividends paid on common and preferred stock	(839)	(1,845)	(2,624)
Distributions to noncontrolling interest	—	—	(257)
Payment of liabilities associated with the sale of future royalties	—	(386)	(28)
Financing portion of net cash received (paid) for derivative instruments	(834)	(362)	120
Other financing, net	(80)	(57)	137
Financing cash flow from continuing operations	(8,564)	(4,508)	22,196
Financing cash flow from discontinued operations	(8)	(8)	(3)
<b>Net cash provided (used) by financing activities</b>	<b>(8,572)</b>	<b>(4,516)</b>	<b>22,193</b>
<b>Increase (decrease) in cash, cash equivalents, restricted cash and restricted cash equivalents</b>	<b>609</b>	<b>(1,380)</b>	<b>541</b>
<b>Cash, cash equivalents, restricted cash and restricted cash equivalents — beginning of year</b>	<b>2,194</b>	<b>3,574</b>	<b>3,033</b>
<b>Cash, cash equivalents, restricted cash and restricted cash equivalents — end of year</b>	<b>\$ 2,803</b>	<b>\$ 2,194</b>	<b>\$ 3,574</b>

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



## Notes to Consolidated Financial Statements

Occidental Petroleum Corporation  
and Subsidiaries

### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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#### NATURE OF OPERATIONS

Occidental conducts its operations through various subsidiaries and affiliates. 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 (which includes condensate), NGL and natural gas. OxyChem primarily manufactures and markets basic chemicals and vinyls. The midstream and marketing segment purchases, markets, gathers, processes, transports and stores oil (which includes condensate), NGL, natural gas, CO<sub>2</sub> and power. It also optimizes its transportation and storage capacity, and invests in entities that conduct similar activities, such as WES.

The midstream and marketing segment also includes OLCV. OLCV seeks to leverage Occidental's legacy of carbon management expertise to develop CCUS projects, including the commercialization of DAC technology, and invests in other low-carbon technologies intended to reduce GHG emissions from our operations and strategically partner with other industries to help reduce their emissions.

#### PRINCIPLES OF CONSOLIDATION

The consolidated financial statements have been prepared in conformity with GAAP and include the accounts of Occidental, its subsidiaries, its undivided interests in oil and gas exploration and production ventures and, previously, variable interest entities, 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. 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 NYSE under the ticker symbol "WES." WES owns the entire non-economic general partner interest and a 98% limited partner interest in WES Operating.

As a result of certain partnership agreement amendments and other related agreements executed in 2019, Occidental does not consolidate WES under the voting interest model since Occidental does not control the power to appoint or remove a successor general partner.

As of December 31, 2021, Occidental's equity method investment in WES was approximately \$2.0 billion, which exceeds Occidental's pro-rata interest in the net assets of WES by \$362 million. This basis difference is primarily associated with WES' PP&E and equity investments and is subject to amortization over their estimated average lives. As of December 31, 2021, Occidental owned all of a 2.2% non-voting general partner interest and 49.7% of the limited partner units in WES. On a combined basis, with its 2% non-voting limited partner interest in WES Operating, Occidental's total effective economic interest in WES and its subsidiaries was 51.8%. See [Note 4 - Investment and Related-Party Transactions](#).

#### 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. Occidental evaluates the facts and circumstances of any distributions in excess of its carrying amount in the investment to determine the appropriate accounting, including the source of the proceeds and any implicit or explicit commitments to fund the affiliate. If there is no implicit or explicit commitment the distribution is treated as a gain. If an implicit or explicit commitment exists to possibly fund the affiliate at a future date the distribution is recorded against the equity-method investment. See [Note 4 - 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 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.

In May 2020, Occidental and Total mutually agreed to execute a waiver of the obligation to purchase and sell the Ghana assets, and in October 2021, Occidental closed on the sale of the Ghana assets with a third party for a purchase price of \$750 million. Unless otherwise indicated, information presented in the Notes to Consolidated Financial Statements relates only to Occidental's continuing operations. Information related to discontinued operations is included in [Note 5 - Acquisitions, Divestitures and Other Transactions](#) and in some instances, where appropriate, is included as a separate disclosure within the individual Notes to 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 \$7.7 billion as of December 31, 2021 and net sales of approximately \$4.2 billion for the year ended December 31, 2021, relating to Occidental's operations in countries outside North America. Occidental operates some of its oil and gas business in countries that have experienced situations including such things as 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 \$4.2 billion and \$2.1 billion as of December 31, 2021, and 2020, 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 PP&E represents the cost incurred to acquire or develop the asset, including any AROs 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. AROs 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>		<b>2021</b>		2020		2019
Balance — beginning of year	\$	<b>211</b>	\$	424	\$	112
Exploratory well costs acquired through the Acquisition		—		—		231
Additions to capitalized exploratory well costs pending the determination of proved reserves		<b>163</b>		122		383
Reclassifications to property, plant and equipment based on the determination of proved reserves		<b>(67)</b>		(309)		(230)
Capitalized exploratory well costs charged to expense		<b>(94)</b>		(26)		(72)
Balance — end of year	\$	<b>213</b>	\$	211	\$	424

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. As a result of Occidental's mid-year reserve review undertaken in the second quarter of 2021, DD&A rates for the second half of 2021 were lower compared to the first half of 2021 due to increased proved reserves primarily related to positive price revisions. Proved oil, NGL and natural gas reserves were estimated during this mid-year review using the unweighted arithmetic average of the first-day-of-the-month price for each month for the twelve months ended June 30, 2021, unless prices were defined by contractual arrangements.

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 PUD reserves. PUD reserves are supported by a management approved, detailed, field-level development plan where sufficient capital has been committed to develop those reserves. Only PUD 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 PUD reserves associated with international operations are expected to be developed beyond the five years and are tied to approved long-term development projects.

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 unless observable and comparable transactions are available. 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. See [Note 9 - Fair Value Measurements](#) and below for further discussion of asset impairments.

Net capitalized costs attributable to unproved properties were \$14.8 billion as of December 31, 2021 and \$18.6 billion as of December 31, 2020. 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.

### **IMPAIRMENTS AND OTHER CHARGES**

During 2021, Occidental's oil and gas segment recognized pre-tax impairment and related charges of \$282 million primarily related to undeveloped leases that either expired or were set to expire in the near-term, where Occidental had no plans to pursue exploration activities and, to a lesser extent, impairments of oil and gas materials and supplies inventories.



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

During 2020, Occidental's midstream and marketing segment recognized pre-tax impairment and related charges of \$1.2 billion related to goodwill associated with Occidental's ownership in WES. 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 balance was fully impaired. The market value of WES' publicly traded units is considered a Level 1 input.

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.

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 \$677 million and \$461 million as of December 31, 2021, and 2020, respectively. Dividends payable, also included in accrued liabilities - current, were \$188 million and \$189 million as of December 31, 2021, and 2020, respectively. Derivative financial instruments, also included in accrued liabilities - current, were \$0.2 billion and \$1.1 billion as of December 31, 2021, and 2020, 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 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 AROs 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 AROs changes, Occidental records an adjustment to both the AROs and PP&E. Over time, the liability is increased, expense is recognized for accretion and the capitalized cost is depreciated over the useful life of the asset.

The majority of Occidental's AROs relate to the plugging of wells and the related abandonment of oil and gas properties.

At a certain number of its facilities, Occidental has identified conditional AROs 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 AROs in the periods in which sufficient information becomes available to reasonably estimate their fair values.



The following table summarizes the activity of AROs for the years ended December 31:

<i>millions</i>	2021	2020
Beginning balance	\$ 4,130	\$ 4,659
Liabilities incurred – capitalized to PP&E	27	79
Liabilities settled and paid	(174)	(186)
Accretion expense	205	147
Acquisitions, divestitures and other, net	(53)	(294)
Revisions to previous estimates	(109)	(275)
Ending balance <sup>(a)</sup>	\$ 4,026	\$ 4,130

<sup>(a)</sup> The ending balance included \$339 million and \$153 million related to the current balance of AROs that are included in accrued liabilities on the Consolidated Balance Sheets as of December 31, 2021, and 2020, 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, 2021, 2020 and 2019.

## STOCK-BASED INCENTIVE PLANS

Occidental has established a stockholder-approved 2015 Long-Term Incentive Plan, as amended and restated, for certain employees and directors (the Plan) that is more fully described in [Note 15 - Stock-Based Incentive Plans](#). A summary of Occidental's accounting policy for awards issued under the Plan is as follows.

For cash- and stock-settled restricted stock units (RSU) and cash return on capital employed incentive (CROCEI) awards, 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 (TSRI) awards, 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 awards are expensed using the initially measured compensation value. The liability resulting from cash settled 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.

There are no outstanding awards under Occidental's 2005 Long-Term Incentive Plan following the expiration of the non-qualified stock options granted in 2015 on February 11, 2022.

## EARNINGS PER SHARE

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 earnings per share (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, warrants 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 11 - 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

The following table represents U.S. federal, domestic state and international income taxes paid, tax refunds received and interest paid related to continuing operations during the year ended December 31, 2021, 2020 and 2019, respectively.

<i>millions</i>		2021		2020		2019
Income tax payments	\$	763	\$	498	\$	1,944
Income tax refunds received	\$	70	\$	223	\$	80
Production, property and other tax payments	\$	790	\$	629	\$	724
Interest paid <sup>(a)</sup>	\$	1,685	\$	1,521	\$	912

<sup>(a)</sup> Net of capitalized interest of \$61 million, \$84 million and \$89 million, for the years 2021, 2020 and 2019, 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 as of December 31, 2021, 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, 2021, and 2020 to the line items within the Consolidated Balance Sheet as of December 31:

<i>millions</i>		2021		2020
Cash and cash equivalents	\$	2,764	\$	2,008
Restricted cash and restricted cash equivalents		24		170
Restricted cash and restricted cash equivalents included in long-term receivables and other assets, net		15		16
Cash, cash equivalents, restricted cash and restricted cash equivalents	\$	2,803	\$	2,194

### 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 OCI. 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). See [Note 10 - Income Taxes](#) for more information.

### 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 12 - Environmental Liabilities and Expenditures](#), Occidental has disclosed its reserve balances for environmental remediation matters that satisfy this criteria. See [Note 13 - Lawsuits, Claims, Commitments and Contingencies](#).

### **SIGNIFICANT ACCOUNTING AND DISCLOSURE CHANGES**

There were no significant accounting or disclosure changes for the periods in the three years ended December 31, 2021.



## NOTE 2 - 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.

### 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.

### CHEMICAL SEGMENT

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

### MIDSTREAM AND MARKETING SEGMENT

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. Changes in fair value are reflected in net sales and excluded from revenue from customers in the table below.

### DISAGGREGATION OF REVENUE FROM CONTRACTS WITH CUSTOMERS

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

Millions		2021	2020	2019
Revenue from customers	\$	25,955	17,130	19,192
Other revenues <sup>(a)</sup>		(3)	679	1,719
Net sales	\$	25,952	17,809	20,911

<sup>(a)</sup> Included net marketing derivatives, oil collars and calls and chemical exchange contracts.



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.

millions	United States		International		Eliminations		Total
<b>Year ended December 31, 2021</b>							
<b>Oil and gas</b>							
Oil	\$	12,072	\$	2,844	\$	—	\$ 14,916
NGL		2,203		325		—	2,528
Gas		1,524		291		—	1,815
Other		24		2		—	26
Segment total	\$	15,823	\$	3,462	\$	—	\$ 19,285
<b>Chemical</b>	\$	4,995	\$	248	\$	—	\$ 5,243
<b>Midstream and marketing</b>	\$	1,969	\$	556	\$	—	\$ 2,525
<b>Eliminations</b>	\$	—	\$	—	\$	(1,094)	\$ (1,094)
<b>Consolidated</b>	\$	22,787	\$	4,266	\$	(1,094)	\$ 25,959

**Year ended December 31, 2020**

<b>Oil and gas</b>							
Oil	\$	7,485	\$	2,403	\$	—	\$ 9,888
NGL		838		217		—	1,055
Gas		660		326		—	986
Other		65		1		—	66
Segment total	\$	9,048	\$	2,947	\$	—	\$ 11,995
<b>Chemical</b>	\$	3,524	\$	202	\$	—	\$ 3,726
<b>Midstream and marketing</b>	\$	1,595	\$	572	\$	—	\$ 2,167
<b>Eliminations</b>	\$	—	\$	—	\$	(758)	\$ (758)
<b>Consolidated</b>	\$	14,167	\$	3,721	\$	(758)	\$ 17,130

**Year ended December 31, 2019**

<b>Oil and gas</b>							
Oil	\$	8,411	\$	3,939	\$	—	\$ 12,350
NGL		658		283		—	941
Gas		424		339		—	763
Other		(1)		(5)		—	(6)
Segment total	\$	9,492	\$	4,556	\$	—	\$ 14,048
<b>Chemical</b>	\$	3,858	\$	222	\$	—	\$ 4,080
<b>Midstream and marketing</b> <sup>(a)</sup>	\$	1,977	\$	351	\$	—	\$ 2,328
<b>Eliminations</b>	\$	—	\$	—	\$	(1,264)	\$ (1,264)
<b>Consolidated</b>	\$	15,327	\$	5,129	\$	(1,264)	\$ 19,192

<sup>(a)</sup> 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 3 - 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 as of December 31:

<i>millions</i>	<b>2021</b>	2020
Raw materials	\$ 96	\$ 70
Materials and supplies	783	848
Commodity inventory and finished goods	1,066	1,009
	<b>1,945</b>	1,927
Revaluation to LIFO	<b>(99)</b>	(29)
<b>Total</b>	<b>\$ 1,846</b>	\$ 1,898

**NOTE 4 - INVESTMENTS AND RELATED-PARTY TRANSACTIONS****EQUITY INVESTMENTS**

Occidental's significant equity investments are presented in investments in unconsolidated entities and in other - deferred credits and other liabilities. As of December 31, 2021, and 2020, investments in unconsolidated entities were \$2.9 billion and \$3.3 billion, respectively. Occidental's equity investments presented in investments in unconsolidated entities primarily consist of the following:

<i>millions</i>	<b>% Interest</b>	<b>Carrying amount</b>
WES <sup>(a)</sup>	51.8 %	\$ 1,963
OxyChem Ingleside Facility	50.0 %	599
OLCV - related	various	164
Other	various	212
<b>Total Investments in unconsolidated entities <sup>(b)</sup></b>		<b>\$ 2,938</b>

<sup>(a)</sup> In December 2021, Occidental sold 2.5 million limited partner units of WES for proceeds of approximately \$50 million. In March 2021, Occidental sold 11.5 million limited partner units for proceeds of approximately \$200 million, resulting in a gain of \$102 million. 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 9 - Fair Value Measurements](#) for more information on the impairments.

<sup>(b)</sup> Not presented in investments in unconsolidated entities is Occidental's 24.5% ownership in DEL, which has a carrying value of \$217 million. Refer to the discussion below regarding the presentation of Occidental's equity investment in DEL.

As of December 31, 2021 and 2020, Occidental's significant equity investments consisted of investments in WES, OxyChem Ingleside Facility and DEL.

In November 2021, Occidental received approximately \$560 million in cash distributions as a result of a refinancing transaction at DEL. The cash distributions received from the refinancing transaction were comprised of \$110 million in dividends and \$450 million in excess distributions. As Occidental may be requested to provide financial support to DEL, the excess distributions were recorded against the \$217 million carrying amount of the equity investment. The net of the carrying value of the investment in DEL and the excess distributions was \$233 million and is presented in deferred credits and other liabilities - other. Occidental recorded the \$110 million in dividends as a return on investment in cash flow from operations and the \$450 million excess distribution as a return of investment in cash flow from investing.

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 as of December 31, 2021, respectively. Accordingly, the equity investments and the related notes payable are presented net on the Consolidated Balance Sheets.

Dividends received from equity investments were \$652 million, \$678 million and \$422 million to Occidental in 2021, 2020 and 2019, respectively. As of December 31, 2021 and 2020, cumulative undistributed earnings of equity-method investees since they were acquired was \$242 million and \$166 million, respectively. As of December 31, 2021, Occidental's



investments in equity investees exceeded the underlying equity in net assets by approximately \$667 million, of which, \$347 million represented PP&E 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>	2021		2020		2019	
<b>Summarized Results of Operations <sup>(a)</sup></b>						
Revenues and other income	\$	6,252	\$	5,455	\$	26,520
Costs and expenses		4,569		5,455		24,084
Net income	\$	1,683	\$	—	\$	2,436
<b>Summarized Balance Sheet</b>						
Current assets	\$	3,387	\$	1,419	\$	1,130
Non-current assets	\$	19,341	\$	18,693	\$	21,158
Current liabilities	\$	1,976	\$	1,549	\$	785
Long-term debt	\$	9,464	\$	7,860	\$	8,673
Other non-current liabilities	\$	1,187	\$	866	\$	859
Stockholders' equity	\$	10,101	\$	9,837	\$	11,971

<sup>(a)</sup> The 2019 Summarized Results of Operations included 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

Occidental sells oil, NGL, natural gas, chemicals, power and steam to and purchases oil, NGL and chemicals from its equity method investees and other related parties. Occidental is charged service fees primarily related to gathering, processing, oil, NGL and natural gas treatment by certain of its equity investees and other related parties. During 2021, 2020 and 2019, 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>	2021		2020		2019	
Sales <sup>(a,c)</sup>	\$	261	\$	301	\$	691
Purchases <sup>(b,c)</sup>	\$	773	\$	1,112	\$	463
Services <sup>(d)</sup>	\$	942	\$	1,101	\$	28
Advances and amounts due from related parties <sup>(c)</sup>	\$	57	\$	62	\$	133
Amounts due to related parties <sup>(c)</sup>	\$	280	\$	296	\$	463

<sup>(a)</sup> In 2021 and 2020, sales of Occidental-produced oil and NGL to WES accounted for 58% and 70% of these totals, respectively. In 2019, sales of Occidental-produced oil and NGL to Plains Pipeline affiliates accounted for 87% of these totals. In September 2019, Occidental sold its equity investment in Plains. See [Note 5 - Acquisitions, Divestitures and Other Transactions](#) for additional information.

<sup>(b)</sup> In 2021 and 2020, purchases of gas and NGL marketed on behalf of WES accounted for 27% and 59% of related party purchases, respectively, while purchases of ethylene from the OxyChem Ingleside Facility accounted for 70% and 41% in 2021 and 2020 respectively, and, in 2019, for 98% of related party purchases.

<sup>(c)</sup> Excluded sales to and purchases from WES and amounts due to and from WES in 2019 as it was a consolidated subsidiary from the date of the Acquisition through December 31, 2019.

<sup>(d)</sup> In 2021 and 2020, services primarily related to fees charged by WES to gather, process and treat Occidental produced oil, NGL and natural gas. Excluded charges to WES for shared corporate services.

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## **NOTE 5 - ACQUISITIONS, DIVESTITURES AND OTHER TRANSACTIONS**

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### **ACQUISITIONS, DIVESTITURES AND OTHER TRANSACTIONS**

#### **2021**

In November 2021, Occidental entered into an agreement to sell certain non-strategic assets in the Permian Basin. The transaction closed in January 2022 for net cash proceeds of approximately \$190 million. The assets and liabilities, of which \$72 million is related to PP&E, net and \$7 million is related to AROs, were presented as held for sale as of December 31, 2021.

In November 2021, Occidental acquired additional working interests in certain assets in the Permian EOR business unit for a net purchase price of approximately \$285 million.

In October 2021, Occidental closed the sale of its Ghana assets. See below discussion on Discontinued Operations for additional information. This divestiture completed Occidental's large-scale asset divestiture program.

In June 2021, Occidental entered into an agreement to sell certain non-strategic assets in the Permian Basin. The transaction closed in July 2021 for net cash proceeds of approximately \$475 million. The difference in the assets' net book value and adjusted purchase price was treated as a recovery of cost and normal retirement, which resulted in no gain or loss being recognized.

In March 2021, Occidental completed the sale of certain non-operated assets in the DJ Basin for net cash proceeds of approximately \$280 million. The difference in the assets' net book value and adjusted purchase price was treated as a recovery of cost and normal retirement, which resulted in no gain or loss being recognized.

In 2021, Occidental sold 14 million limited partner units of WES for proceeds of approximately \$250 million, see [Note 4 - Investments and Related-Party 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.

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.

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.

#### **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 PP&E 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.

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.

In August 2019, the Acquisition was consummated. 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 general and limited partner interest in WES. Total consideration of the Acquisition was approximately \$35.7 billion in cash and common stock. See [Note 14 - Stockholders' Equity](#) for additional information.

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 included 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 Acquisition-related costs incurred for the years ended December 31:

<i>millions</i>		<b>2021</b>		2020		2019
Employee severance and related employee cost	\$	<b>117</b>	\$	314	\$	1,033
IT costs		<b>36</b>		9		15
Licensing fees for critical seismic data		—		—		401
Bank, legal, consulting and other		—		16		198
<b>Total</b>	<b>\$</b>	<b>153</b>	<b>\$</b>	339	<b>\$</b>	1,647

Employee severance and related employee cost 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 Agreement and existing change of control provisions within the former Anadarko employment agreements. In addition, this category included expenses for a voluntary separation program for eligible employees and retention awards for certain employees.

The IT costs primarily related to Occidental's efforts to integrate the Anadarko finance, supply chain, asset integrity, and well life cycle systems.

The seismic licensing fees related 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.

The following table summarizes the unaudited pro forma condensed financial information of Occidental for the year ended December 31, 2019 as if the Acquisition had occurred on January 1, 2018:

<i>millions except per-share amounts</i>			
Revenues	\$		28,723
Net loss attributable to common stockholders <sup>(a)</sup>	\$		(769)
Net loss attributable to common stockholders per share—basic	\$		(0.95)
Net loss attributable to common stockholders per share—diluted	\$		(0.95)

<sup>(a)</sup> Excluding the pro-forma results of WES, net loss attributable to common stockholders would be \$(1.1) billion for the year ended December 31, 2019.

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 on 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 any assets classified as held for sale, 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 PP&E 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.



## DISCONTINUED OPERATIONS

In 2021, Occidental recorded a \$437 million after-tax loss contingency in discontinued operations associated with its former operations in Ecuador, see [Note 13 - Lawsuits, Claims, Commitments and Contingencies](#).

In October 2021, Occidental closed the sale of its Ghana assets for \$750 million and net proceeds of \$555 million, after closing adjustments to reflect an April 1, 2021 effective date. In addition, Occidental settled certain tax claims related to historical operations in Ghana for \$170 million. Prior to the sale, 2021 operations in Ghana resulted in an after-tax loss of \$31 million.

The following table presents the amounts reported in discontinued operations, net of income taxes, related to the Ghana assets for the years ended December 31, 2021 and 2020 and for the Ghana, Mozambique and South Africa assets subsequent to the Acquisition closing date through December 31, 2019:

<i>millions</i>	2021	2020	2019
Revenues and other income			
Net sales	\$ 458	\$ 419	\$ 221
Costs and other deductions			
Oil and gas lease operating expense	71	117	45
Fair value adjustment on assets held for sale <sup>(a)</sup>	409	2,263	85
Other	24	48	45
Total costs and other deductions	\$ 504	\$ 2,428	\$ 175
Income (loss) before income taxes	\$ (46)	\$ (2,009)	\$ 46
Income tax benefit (expense)	15	711	(61)
<b>Discontinued operations, net of tax</b>	<b>\$ (31)</b>	<b>\$ (1,298)</b>	<b>\$ (15)</b>

<sup>(a)</sup> For 2021, included effective date to close date adjustments as well as settlements of certain tax claims.

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:

<i>millions</i>	2020
Current assets	\$ 37
Property, plant and equipment, net	1,364
Long-term receivables and other assets, net	32
Assets held for sale	\$ 1,433
Current liabilities	\$ 84
Long-term debt, net - finance leases	175
Deferred income taxes	328
Asset retirement obligations	166
Liabilities of assets held for sale	\$ 753
<b>Net assets held for sale</b>	<b>\$ 680</b>



## NOTE 6 - LONG-TERM DEBT

As of December 31, 2021 and 2020, Occidental's debt consisted of the following:

<i>millions</i>	<b>2021</b>	<b>2020</b>
4.850% senior notes due 2021	\$ —	\$ 147
2.600% senior notes due 2021	—	224
Variable rate bonds due 2021 (1.193% as of December 31, 2020)	—	27
2.700% senior notes due 2022	—	629
3.125% senior notes due 2022	—	276
2.600% senior notes due 2022	<b>101</b>	101
Variable rate bonds due 2022 (1.730% as of December 31, 2020)	—	1,052
2.700% senior notes due 2023	<b>442</b>	927
8.750% medium-term notes due 2023	<b>22</b>	22
2.900% senior notes due 2024	<b>949</b>	3,000
6.950% senior notes due 2024	<b>650</b>	650
3.450% senior notes due 2024	<b>127</b>	248
8.000% senior notes due 2025	<b>500</b>	500
5.875% senior notes due 2025	<b>900</b>	900
3.500% senior notes due 2025	<b>326</b>	750
5.500% senior notes due 2025	<b>750</b>	750
5.550% senior notes due 2026	<b>1,100</b>	1,100
3.200% senior notes due 2026	<b>797</b>	1,000
3.400% senior notes due 2026	<b>779</b>	1,150
7.500% debentures due 2026	<b>112</b>	112
8.500% senior notes due 2027	<b>500</b>	500
3.000% senior notes due 2027	<b>634</b>	750
7.125% debentures due 2027	<b>150</b>	150
7.000% debentures due 2027	<b>48</b>	48
6.625% debentures due 2028	<b>14</b>	14
7.150% debentures due 2028	<b>235</b>	235
7.200% senior debentures due 2028	<b>82</b>	82
6.375% senior notes due 2028	<b>600</b>	600
7.200% debentures due 2029	<b>135</b>	135
7.950% debentures due 2029	<b>116</b>	116
8.450% senior debentures due 2029	<b>116</b>	116
3.500% senior notes due 2029	<b>1,477</b>	1,500
Variable rate bonds due 2030 (0.900% and 2.700% as of December 31, 2021 and 2020, respectively)	<b>68</b>	68
8.875% senior notes due 2030	<b>1,000</b>	1,000
6.625% senior notes due 2030	<b>1,500</b>	1,500
6.125% senior notes due 2031	<b>1,250</b>	1,250
7.500% senior notes due 2031	<b>900</b>	900
7.875% senior notes due 2031	<b>500</b>	500
6.450% senior notes due 2036	<b>1,750</b>	1,750
Zero Coupon senior notes due 2036	<b>2,269</b>	2,269
4.300% senior notes due 2039	<b>693</b>	750
7.950% senior notes due 2039	<b>325</b>	325
6.200% senior notes due 2040	<b>750</b>	750
4.500% senior notes due 2044	<b>608</b>	625

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<i>millions (continued)</i>	2021	2020
4.625% senior notes due 2045	634	750
6.600% senior notes due 2046 <sup>(a)</sup>	1,157	1,100
4.400% senior notes due 2046	976	1,200
4.100% senior notes due 2047	663	750
4.200% senior notes due 2048	961	1,000
4.400% senior notes due 2049	704	750
7.730% debentures due 2096	58	60
7.500% debentures due 2096	60	78
7.250% debentures due 2096	5	49
<b>Total borrowings at face value</b>	<b>\$ 28,493</b>	<b>\$ 35,235</b>
<b>Adjustments to book value:</b>		
Unamortized premium, net	670	748
Debt issuance costs	(135)	(156)
<b>Net book value of debt</b>	<b>\$ 29,028</b>	<b>\$ 35,827</b>
Long-term finance leases	504	316
Current finance leases	85	42
<b>Total debt and finance leases</b>	<b>\$ 29,617</b>	<b>\$ 36,185</b>
Less current maturities of financing leases	(85)	(42)
Less current maturities of long-term debt	(101)	(398)
<b>Long-term debt, net</b>	<b>\$ 29,431</b>	<b>\$ 35,745</b>

<sup>(a)</sup> Occidental entered into an exchange agreement, dated as of October 20, 2021, among Occidental and certain holders of its subsidiary Anadarko's 7.250% debentures due 2096, its subsidiary Anadarko Holding Company's 7.500% debentures due 2096 and its subsidiary Anadarko's 7.730% debentures due 2096 (such notes, the 2096 Notes), pursuant to which Occidental issued approximately \$57.2 million of 6.600% senior notes due 2046 as additional securities under the Indenture, dated as of August 8, 2019, between Occidental and The Bank of New York Mellon Trust Company, N.A., as trustee (the 2019 Indenture), in exchange for the cancellation of approximately \$64.8 million of the 2096 notes. The additional securities have identical terms and conditions as Occidental's previously issued 6.600% senior notes due 2046 (the Initial Securities), other than the issue date and the date from which interest will accrue, are restricted securities with a related legend and initially have a different CUSIP number and ISIN number from the Initial Securities and for all purposes are treated as a single class with the outstanding Initial Securities under the 2019 Indenture.

## DEBT MATURITIES

As of December 31, 2021, future principal payments on debt were approximately \$28.5 billion, of which, \$101 million is due in 2022, \$465 million is due in 2023, \$1.7 billion is due in 2024, \$2.5 billion is due in 2025, and \$23.7 billion is due in 2026 and thereafter.

In January 2022, Occidental used cash on hand to repay \$101 million in outstanding 2.600% senior notes due April 2022 at face value. Subsequent to the purchase and retirement of this note, Occidental's face value of debt was \$28.4 billion with no maturities in 2022.



## DEBT ACTIVITY - 2021

The following table summarizes Occidental's debt activity for the year ended December 31, 2021:

<i>millions</i>	<b>Borrowings at face value</b>	
<b>Total borrowings at face value as of December 31, 2020</b>	<b>\$</b>	<b>35,235</b>
<b>First quarter:</b>		
4.850% senior notes due 2021	\$	(147)
Variable rate bonds due 2021		(27)
<b>Third quarter:</b>		
2.700% senior notes due 2022	\$	(278)
2.700% senior notes due 2023		(484)
3.450% senior notes due 2024		(81)
2.900% senior notes due 2024		(1,620)
3.500% senior notes due 2025		(229)
3.400% senior notes due 2026		(224)
3.200% senior notes due 2026		(110)
2.600% senior notes due 2021		(224)
Floating interest rate notes due August 2022		(1,051)
<b>Fourth quarter:</b>		
4.400% senior notes due 2046	\$	(224)
4.400% senior notes due 2049		(46)
7.730% debentures due 2096		(3)
7.500% debentures due 2096		(18)
7.250% debentures due 2096		(44)
6.600% senior notes due 2046		57
3.450% senior notes due 2024		(40)
2.900% senior notes due 2024		(431)
3.500% senior notes due 2025		(195)
3.400% senior notes due 2026		(148)
3.200% senior notes due 2026		(93)
3.000% senior notes due 2027		(116)
3.500% senior notes due 2029		(23)
4.100% senior notes due 2047		(87)
4.200% senior notes due 2048		(39)
4.300% senior notes due 2039		(57)
4.500% senior notes due 2044		(17)
4.625% senior notes due 2045		(116)
3.125% senior notes due 2022		(276)
2.700% senior notes due 2022		(351)
<b>Total borrowings at face value as of December 31, 2021</b>	<b>\$</b>	<b>28,493</b>



**DEBT ACTIVITY - 2020**

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

<i>millions</i>	<b>Borrowings at face value</b>	
<b>Total borrowings at face value as of December 31, 2019</b>	\$	37,401
<b>Issuance of July 2020 notes:</b>		
8.000% senior notes due 2025		500
8.500% senior notes due 2027		500
8.875% senior notes due 2030		1,000
<b>July tender and purchase:</b>		
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)
<b>Issuance of August 2020 notes:</b>		
5.875% senior notes due 2025		900
6.375% senior notes due 2028		600
6.625% senior notes due 2030		1,500
<b>August and September tender and purchase:</b>		
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)
<b>August WES exchange:</b>		
6.500% note payable to WES due 2038		(260)
<b>September Term Loan repayment:</b>		
2-year variable rate term loan due 2021		(500)
<b>October Term Loan and note repayment:</b>		
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)
<b>November Term Loan repayment:</b>		
2-year variable rate term loan due September 2021		(232)
<b>Issuance of December 2020 notes:</b>		
5.500% senior notes due 2025		750
6.125% senior notes due 2031		1,250
<b>December tender and purchase:</b>		
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)
<b>December Term Loan and note repayment:</b>		
2-year variable rate term loan due September 2021		(214)
4.100% senior notes due February 2021		(167)
<b>Total borrowings at face value as of December 31, 2020</b>	<b>\$</b>	<b>35,235</b>



In the fourth quarter of 2021, Occidental used cash on hand to complete a \$1.6 billion cash tender offer for outstanding senior notes with a face value of \$1.5 billion and maturities ranging from 2024 through 2049. Also in December 2021, Occidental used cash on hand to retire \$627 million of senior notes due 2022.

In the third quarter of 2021, Occidental completed a cash tender for outstanding senior notes with a face value of \$3.0 billion and maturities ranging from 2022 through 2026, paid \$224 million of senior notes upon maturity and fully retired \$1.1 billion of floating interest rate notes due August 2022.

In the first quarter of 2021, Occidental repaid \$174 million of debt upon maturity. No debt matured or was otherwise paid during the second quarter of 2021.

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 included 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.

## REVOLVING CREDIT FACILITY

In December 2021, Occidental entered into the Second Amended and Restated Credit Agreement on its existing \$5.0 billion RCF in which the total commitment was decreased to \$4.0 billion and the LIBOR benchmark was changed to SOFR. In addition, the interest rate margin and the facility fee rates were amended to be subject to adjustments based on Occidental's performance on specified sustainability target thresholds with respect to absolute reductions in GHG emissions from its worldwide operated assets. The RCF maturity date was extended to June 30, 2025.

Borrowings under the RCF bear interest at SOFR benchmark rates, 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. As of the date of this filing, Occidental has no drawn amounts under the RCF. In 2021, Occidental paid average annual facility fees of 0.302% on the total commitment amount.

## RECEIVABLES SECURITIZATION FACILITY

In December 2021, Occidental amended and extended its existing receivables securitization facility to December 2024. As of December 31, 2021, the facility had \$400 million of available borrowing capacity and no drawn amounts. The amended facility includes adjustments based on the same specified sustainability target thresholds as contained in the RCF.

## ZERO COUPONS

The Zero Coupons have an aggregate principal amount due at the 2036 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 2022, which, if put in whole, would be \$1.1 billion at such date. Occidental has the ability and intent to refinance these obligations under the RCF or other committed facilities.

## 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 as of December 31, 2021, and 2020, the majority of which were classified as Level 1, were approximately \$31.1 billion and \$33.8 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, 2021, and 2020, variable-rate debt constituted approximately 0.2% and 3% of Occidental's total debt, respectively.

**DEBT RATINGS**

As of the date of this filing, Occidental's long-term debt was rated BB+ by Fitch Ratings, Ba2 by Moody's Investors Service and BB+ by Standard and Poor's. In January 2022, Standard and Poor's upgraded Occidental's credit rating to BB+. Any 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.

**NOTE 7 - LEASE COMMITMENTS**

Occidental identifies leases through its accounts payable and contract monitoring processes. Lease assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. Lease assets include the lease liability, upfront payments and costs incurred to execute the lease and are amortized on a straight-line basis over the lease term. Occidental assesses the likelihood of exercising renewal, termination and purchase options to determine the lease term. Occidental uses its incremental borrowing rate at commencement date to determine the present value of lease payments. The incremental borrowing rate is the rate of interest that Occidental would pay to borrow an amount equal to the lease payments over a similar term on a collateralized basis in a similar economic environment. Certain leases include variable lease payments based on the underlying asset's operations that are not included in the lease asset and liability.

Occidental has operating leases for oil and gas exploration and development equipment, including offshore and onshore drilling rigs of \$32 million, compressors of \$62 million, storage facilities of \$52 million, office space of \$386 million and other field equipment of \$32 million. Operating lease terms generally range from one to eight years. Operating leases also include pipelines, rail cars, easements, aircraft and real estate of \$207 million. These operating leases have contract expiration terms ranging from one to 10 years.

Occidental's finance leases include a gas treating and processing plant, oil and gas exploration and development equipment, compressors, real estate offices and field equipment of approximately \$589 million.

The following table presents lease balances and their classification on the Consolidated Balance Sheets as of December 31:

<i>millions</i>	Balance sheet classification	2021	2020
<b>Assets:</b>			
Operating	Operating lease assets	\$ 726	\$ 1,062
Finance	Property, plant and equipment	581	365
<b>Total lease assets</b>		<b>\$ 1,307</b>	<b>\$ 1,427</b>
<b>Liabilities:</b>			
<b>Current</b>			
Operating	Current operating lease liabilities	\$ 186	\$ 473
Finance	Current maturities of long-term debt	85	42
<b>Non-current</b>			
Operating	Deferred credits and other liabilities - Operating lease liabilities	585	641
Finance	Long-term debt, net	504	316
<b>Total lease liabilities</b>		<b>\$ 1,360</b>	<b>\$ 1,472</b>



As of December 31, 2021, Occidental will make the following lease payments:

<i>millions</i>	Operating Leases <sup>(a)</sup>	Finance Leases <sup>(b)</sup>	Total
2022	\$ 183	\$ 85	\$ 268
2023	128	84	212
2024	99	82	181
2025	78	68	146
2026	94	57	151
Thereafter	302	300	602
Total lease payments	884	676	1,560
Less: Interest	(113)	(87)	(200)
Total lease liabilities	\$ 771	\$ 589	\$ 1,360

<sup>(a)</sup> The weighted-average remaining lease term is 7.3 years and the weighted-average discount rate is 3.40%.

<sup>(b)</sup> The weighted-average remaining lease term is 9.2 years and the weighted-average discount rate is 2.91%.

The following tables present Occidental's total lease cost classifications and cash paid for operating and finance lease liabilities for the years ended December 31:

<i>millions</i>	2021	2020
Lease cost classification <sup>(a)</sup>		
Operating lease costs <sup>(b)</sup>		
Property, plant and equipment, net	\$ 222	\$ 197
Operating expense and cost of sales	487	557
Selling, general and administrative expenses	109	107
Finance lease cost		
Amortization of ROU assets	39	29
Interest on lease liabilities	13	14
Total lease cost	\$ 870	\$ 904

<sup>(a)</sup> Amounts reflected are gross before joint-interest recoveries. Lease payments are reduced by joint-interest recoveries on the income statement through the joint-interest billing process.

<sup>(b)</sup> Included short-term lease cost of \$238 million and \$207 million and variable lease cost of \$120 million and \$95 million for the years ended December 31, 2021 and 2020, respectively.

<i>millions</i>	2021	2020
Operating cash flows	\$ 401	\$ 506
Investing cash flows	\$ 73	\$ 89
Financing cash flows	\$ 39	\$ 29

## NOTE 8 - 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 in rates on 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, 2021, Occidental's derivatives not designated as hedges consist of interest rate swaps and marketing derivatives. Occidental's previously outstanding Brent-priced call options and natural gas two-way collar derivative instruments expired on or before December 31, 2021.

Derivative instruments that are 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 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 puts and calls are recognized currently in net sales. Occidental did not have any puts or calls outstanding as of December 31, 2021. In 2021, Occidental paid \$152 million to settle its gas puts and calls.

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, collars settled with the receipt of cash of \$960 million. In 2021, Occidental paid \$146 million to settle oil calls.

## INTEREST RATE SWAPS

Occidental's interest rate swap contracts lock in a fixed interest rate in exchange for a floating interest rate indexed to the three-month LIBOR throughout the reference period. Net gains and losses associated with interest rate swaps are recognized currently in gains (losses) on interest rate swaps and warrants, net.

Occidental had the following outstanding interest rate swaps outstanding as of December 31, 2021:

<i>millions except percentages</i>			<b>Mandatory</b>	<b>Weighted-Average</b>
<b>Notional Principal Amount</b>		<b>Reference Period</b>	<b>Termination Date</b>	<b>Interest Rate</b>
\$ 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 as well as amend or settle certain or all of the currently outstanding interest rate swaps.

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. Net cash payments related to settlements were \$885 million for the year ended December 31, 2021, which included \$815 million paid to settle interest rate swaps with notional principal amounts of \$400 million and \$350 million and weighted average interest rates of 6.348% and 6.662%, respectively. For the year ended December 31, 2021, \$51 million of collateral was returned. As of December 31, 2021, \$323 million of collateral related to interest rate swaps had been netted against derivative liabilities.

## MARKETING DERIVATIVES

Occidental's marketing derivative instruments not designated as hedges are short-duration physical and financial forward contracts. Marketing derivative instruments do not include the put and call options discussed above. A substantial majority of Occidental's physically settled derivative contracts are index-based and carry no mark-to-market valuation in earnings. As of December 31, 2021, the weighted-average settlement price of these forward contracts was \$74.85/Bbl and \$4.61/Mcf for crude oil and natural gas, respectively. The weighted-average settlement price was \$46.05/Bbl and \$2.58/Mcf for crude oil and natural gas, respectively, as of December 31, 2020. 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 short volumes associated with the outstanding marketing commodity derivatives not designated as hedging instruments as of December 31:

	2021	2020
Oil commodity contracts		
Volume (MMbbl)	(28)	(31)
Natural gas commodity contracts		
Volume (Bcf)	(136)	(117)

## 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 on 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 14 - 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. The value of cash flow hedges was insignificant as of December 31, 2021 and 2020.

## 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.



millions

Balance Sheet Classification	Fair Value Measurements Using				Netting <sup>(a)</sup>	Total Fair Value
	Level 1	Level 2	Level 3			
<b>December 31, 2021</b>						
<b>Marketing Derivatives</b>						
Other current assets	\$ 1,516	\$ 173	\$ —	\$ (1,645)	\$	44
Long-term receivables and other assets, net	4	1	—	(4)		1
Accrued liabilities	(1,608)	(196)	—	1,645		(159)
Deferred credits and other liabilities - other	(4)	—	—	4		—
<b>Interest Rate Swaps</b>						
Accrued liabilities	—	(315)	—	—		(315)
Deferred credits and other liabilities - other	—	(436)	—	—		(436)
<b>December 31, 2020</b>						
<b>Collars and Calls</b>						
Other current assets	\$ —	\$ 25	\$ —	\$ —	\$	25
Deferred credits and other liabilities - other	—	(42)	—	—		(42)
<b>Marketing Derivatives</b>						
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		—
<b>Interest Rate Swaps</b>						
Accrued liabilities	—	(936)	—	—		(936)
Deferred credits and other liabilities - other	—	(822)	—	—		(822)

<sup>(a)</sup> These amounts do not include collateral. As of December 31, 2021, and December 31, 2020, \$323 million and \$374 million of collateral related to interest rate swaps had been netted against derivative liabilities, respectively. Occidental netted \$110 million and \$85 million of collateral deposited with brokers against derivative liabilities related to marketing derivatives as of December 31, 2021 and December 31, 2020, respectively.

## GAINS AND LOSSES ON DERIVATIVES

The following table presents gains and (losses) related to Occidental's derivative instruments in the consolidated condensed statements of operations for the years ended December 31:

millions

Income Statement Classification	2021	2020	2019
<b>Collars and Calls</b>			
Net sales	\$ (344)	\$ 1,064	\$ (107)
<b>Marketing Derivatives</b>			
Net sales <sup>(a)</sup>	338	(393)	1,804
<b>Interest Rate Swaps (Excluding WES)</b>			
Gains (losses) on interest rate swaps and warrants, net	122	(428)	122
<b>Other <sup>(b)</sup></b>			
Gains on interest rate swaps and warrants, net	—	5	111

<sup>(a)</sup> Includes derivative and non-derivative marketing activity.

<sup>(b)</sup> 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, if any.

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 as of December 31, 2021 was \$107 million (net of \$323 million collateral), which was primarily related to interest rate swaps. The aggregate fair value of derivative instruments with credit-risk-contingent features for which a net liability position existed as of December 31, 2020 was \$104 million (net of \$374 million of collateral), which was primarily related to interest rate swaps.

## NOTE 9 - FAIR VALUE MEASUREMENTS

### FAIR VALUES – RECURRING

In January 2012, Occidental entered into a long-term contract to purchase CO<sub>2</sub>. This contract contained a price adjustment clause that was not clearly and closely related to the host contract and Occidental accounted for it at fair value in the consolidated financial statements. In December 2021, the price adjustment clause related to the contract expired and no longer is recognized at fair value.

### FAIR VALUES – NONRECURRING

#### 2021:

For the year ended December 31, 2021, Occidental recorded pre-tax impairments of \$276 million related to undeveloped leases that either expired or were set to expire in the near-term, where Occidental had no plans to pursue exploration activities.

#### 2020:

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>		<b>Total Fair Value</b>
<b>Asset impairments and other charges</b>		
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

In the first quarter of 2020, Occidental impaired \$1.2 billion in goodwill related to Occidental's ownership in WES, which was previously included in long-term receivables and other assets, net. The market value of WES' publicly traded units is considered a Level 1 input.

### OIL AND GAS PROPERTIES

In the second quarter of 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 was included in oil and gas segment results and \$2.2 billion (\$1.4 billion net of tax) related to Ghana was included in discontinued operations.

In the second quarter of 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 of 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 an adverse downturn of the macroeconomic conditions and if such downturn 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.

#### **WES EQUITY INVESTMENT**

At the end of the third quarter of 2020, Occidental recorded an other-than-temporary impairment of \$2.7 billion, as the fair value of Occidental's investment in WES had 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.

#### **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 6 - Long-Term Debt](#) for the fair value of long-term debt.

**NOTE 10 - 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>	2021		2020		2019
Domestic	\$	1,966	\$	(15,322)	\$ (1,632)
Foreign		1,739		(383)	1,986
Total	\$	3,705	\$	(15,705)	\$ 354

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

<i>millions</i>	2021		2020		2019
<b>Current</b>					
Federal	\$	173	\$	(126)	\$ 33
State and Local		36		6	46
Foreign		660		465	1,809
Total current tax expense	\$	869	\$	345	\$ 1,888
<b>Deferred</b>					
Federal		191		(2,384)	(130)
State and Local		(153)		(103)	17
Foreign		8		(30)	(914)
Total deferred tax expense (benefit)	\$	46	\$	(2,517)	\$ (1,027)
Total income tax expense (benefit)	\$	915	\$	(2,172)	\$ 861

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:

	2021	2020	2019
U.S. federal statutory tax rate	21 %	21 %	21 %
Enhanced oil recovery credit and other general business credits	(3)	—	(2)
Goodwill impairment	—	(3)	—
Capital loss	(2)	—	—
Tax impact from foreign operations	8	(4)	135
State income taxes, net of federal benefit	(2)	—	14
Uncertain tax positions	—	—	7
Transaction costs	—	—	10
Non-controlling interest	—	—	(8)
Executive compensation limitation	1	—	12
Stock warrants	—	—	(5)
WES loss of control	—	—	58
Other	2	—	1
Worldwide effective tax rate	25 %	14 %	243 %

In 2021, Occidental's worldwide effective tax rate was 25%, which was higher than the U.S. statutory rate of 21% due to higher tax rates in the foreign jurisdictions in which Occidental operates, partially offset by the tax impact of business credits, state tax revaluations and other domestic tax benefits.



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 international 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 as of December 31:

<i>millions</i>	2021	2020
Deferred tax liabilities		
Property, plant and equipment differences	\$ (9,905)	\$ (10,744)
Equity investments, partnerships and international subsidiaries	(571)	(658)
Gross long-term deferred tax liabilities	(10,476)	(11,402)
Deferred tax assets		
Environmental reserves	242	257
Postretirement benefit accruals	285	398
Deferred compensation and benefits	286	186
Asset retirement obligations	850	942
Foreign tax credit carryforwards	3,904	4,465
General business credit carryforwards	698	607
Net operating loss carryforward	1,628	1,797
Interest expense carryforward	28	668
All other	689	720
Gross long-term deferred tax assets	8,610	10,040
Valuation allowance	(5,136)	(5,695)
Net long-term deferred tax assets	\$ 3,474	\$ 4,345
Total deferred income tax liability, net	\$ (7,002)	\$ (7,057)
Less: foreign deferred tax asset in long-term receivables and other assets, net	(37)	(56)
Total deferred income tax liability, gross	\$ (7,039)	\$ (7,113)

Total deferred tax assets, after valuation allowances, were \$3.5 billion and \$4.3 billion as of December 31, 2021, and 2020, 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 \$10.5 billion and \$11.4 billion as of December 31, 2021 and 2020, respectively. The decrease in the net deferred tax liability in 2021 compared to 2020 was primarily driven by the impact of lower capital spending and domestic asset impairments for which Occidental does not receive an immediate tax benefit, partially offset by the utilization of net operating losses and other tax attributes.

As of December 31, 2021, Occidental had foreign tax credit carryforwards of \$3.9 billion, federal general business credits carryforwards of \$659 million and state tax credit carryforwards of \$39 million. Occidental has recorded a valuation allowance for \$3.9 billion of the foreign tax credit carryforwards and \$34 million of the state tax credit carryforwards.

As of December 31, 2021, Occidental had tax-effected federal net operating loss carryforwards of \$511 million, foreign net operating loss carryforwards of \$833 million and state net operating loss carryforwards of \$284 million. The carryforward balances have varying carryforward periods through 2041, excluding certain attributes for which there is an indefinite carryforward period. A valuation allowance was recorded for \$244 million of the tax-effected state net operating loss carryforwards and \$797 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 no tax-effected federal interest expense carryforward and tax-effected state interest expense carryforward of \$28 million as of December 31, 2021. Occidental recorded a valuation allowance for \$9 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 \$916 million as of December 31, 2021, 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 \$219 million would be required.

As a result of a legal entity reorganization, management will make an adjustment to the tax basis in a portion of its operating assets, thus reducing Occidental's deferred tax liabilities. Accordingly, in the first quarter of 2022, Occidental will record a one-time non-cash tax benefit that is currently estimated not to exceed \$2.6 billion, in connection with this



reorganization. The timing of any reduction in Occidental's future cash taxes as a result of this legal entity reorganization will be dependent on a number of factors, including prevailing commodity prices, capital activity level and production mix. Occidental will complete its review of its tax basis calculations, fair value assessments and other information and will finalize the adjustment to its deferred tax liabilities during the first quarter of 2022.

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

<i>millions</i>	<b>2021</b>		2020		2019	
Balance as of January 1	\$	<b>2,045</b>	\$	2,173	\$	—
Increase related to Anadarko Acquisition		—		—		2,143
Increases related to prior-year positions		<b>75</b>		14		30
Settlements		<b>(80)</b>		(42)		—
Reductions for tax positions of prior years		<b>(14)</b>		(100)		—
Balance as of December 31	\$	<b>2,026</b>	\$	2,045	\$	2,173

The December 31, 2021 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 were benefits of \$60 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 2021, Occidental recorded interest related to liabilities for unrecognized tax benefits of \$58 million, for a cumulative accrued interest related to liabilities for unrecognized tax benefits of \$321 million as of December 31, 2021. There were no penalties associated with liabilities for unrecognized tax benefits recorded for the years ended December 31, 2021 and 2020. Over the next 12 months, it is reasonably possible that there will not be a decrease in the total amount of unrecognized tax benefits resulting from settlements with taxing authorities or statute of limitations lapses.

Occidental recognized \$105 million and \$110 million in federal and state income tax receivables as of December 31, 2021, and 2020, respectively, which was recorded in other current assets. In addition, Occidental recognized \$33 million and \$24 million associated with audits as of December 31, 2021 and 2020, 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 13 - Lawsuits, Claims, Commitments and Contingencies](#) for a discussion of these matters.

## NOTE 11 - 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.

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 OCI of approximately \$154 million.

In 2021, Occidental settled a significant portion of retiree liability through an annuity purchase. This annuity purchase applied to participants in certain defined benefit plans. The impact of this settlement transaction was approximately \$109 million and is reflected in the December 31, 2021 projected benefit obligation.

### 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 \$249 million and \$239 million as of December 31, 2021, and 2020, respectively. Occidental expensed \$166 million in 2021, \$192 million in 2020 and \$192 million in 2019 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 for the years ended December 31, were \$211 million in 2021, \$235 million in 2020 and \$220 million in 2019.

### OBLIGATIONS AND FUNDED STATUS

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

<i>millions</i>	Pension Benefits		Postretirement Benefits	
	2021	2020	2021	2020
<b>Amounts recognized in the consolidated balance sheet:</b>				
Long-term receivables and other assets, net	\$ 192	\$ 167	\$ —	\$ —
Accrued liabilities	(4)	(9)	(71)	(74)
Deferred credits and other liabilities — pension and postretirement obligations	(391)	(578)	(1,149)	(1,185)
	\$ (203)	\$ (420)	\$ (1,220)	\$ (1,259)
<b>Accumulated other comprehensive loss included the following after-tax balances:</b>				
Net (gain) loss	\$ (17)	\$ (3)	\$ 163	\$ 226
Prior service credit	—	—	(50)	(60)
	\$ (17)	\$ (3)	\$ 113	\$ 166



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	
	2021	2020	2021	2020
<b>Changes in the benefit obligation:</b>				
Benefit obligation — beginning of year	\$ 1,613	\$ 2,508	\$ 1,259	\$ 1,175
Service cost — benefits earned during the period	8	37	42	39
Interest cost on projected benefit obligation	35	52	33	37
Actuarial (gain) loss	(55)	251	(54)	73
Curtailement (gain) loss	—	(278)	—	2
Special termination benefits	—	23	—	—
Benefits paid	(219)	(948)	(67)	(73)
Sale of Colombia assets	—	(24)	—	—
Settlement due to annuity purchase	(109)	—	—	—
Other	—	(8)	7	6
Benefit obligation — end of year	\$ 1,273	\$ 1,613	\$ 1,220	\$ 1,259
<b>Changes in plan assets:</b>				
Fair value of plan assets — beginning of year	\$ 1,193	\$ 1,841	\$ —	\$ —
Actual return on plan assets	44	161	—	—
Employer contributions	162	146	59	67
Benefits paid	(219)	(948)	(67)	(73)
Payments due to annuity purchase	(109)	—	—	—
Other	(1)	(7)	8	6
Fair value of plan assets — end of year	\$ 1,070	\$ 1,193	\$ —	\$ —
<b>Unfunded status:</b>	\$ (203)	\$ (420)	\$ (1,220)	\$ (1,259)

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 ended December 31:

<i>millions</i>	Accumulated Benefit Obligation in Excess of Plan Assets		Plan Assets in Excess of Accumulated Benefit Obligation	
	2021	2020	2021	2020
Projected benefit obligation	\$ 963	\$ 1,226	\$ 310	\$ 387
Accumulated benefit obligation	\$ 960	\$ 1,221	\$ 308	\$ 379
Fair value of plan assets	\$ 656	\$ 670	\$ 414	\$ 523



## COMPONENTS OF NET PERIODIC BENEFIT COST

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

millions	Pension Benefits			Postretirement Benefits		
	2021	2020	2019	2021	2020	2019
<b>Net periodic benefit costs:</b>						
Service cost — benefits earned during the period	\$ 8	\$ 37	\$ 47	\$ 42	\$ 39	\$ 24
Interest cost on projected benefit obligation	35	52	40	33	37	36
Expected return on plan assets	(59)	(73)	(52)	—	—	—
Recognized actuarial loss	2	5	9	15	11	8
Recognized prior service credit	—	—	—	(9)	(8)	(8)
(Gain) loss due to curtailment	—	(124)	(91)	—	2	6
Gain due to settlement	(19)	(19)	—	—	—	—
Special termination benefits	—	22	49	—	—	—
Other costs and adjustments	—	1	(2)	—	—	—
Net periodic benefit cost	\$ (33)	\$ (99)	\$ —	\$ 81	\$ 81	\$ 66

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	
	2021	2020	2021	2020
<b>Benefit Obligation Assumptions:</b>				
Discount rate	2.67 %	2.19 %	2.94 %	3.05 %
Rate of increase in compensation levels	3.98 %	5.07 %	—	—
<b>Net Periodic Benefit Cost Assumptions:</b>				
Discount rate	2.19 %	3.04 %	3.05 %	3.26 %
Rate of increase in compensation levels	5.07 %	5.34 %	—	—
Assumed long-term rate of return on assets	4.92 %	6.02 %	—	—

For domestic pension plans and postretirement benefit plans, Occidental based the discount rate on a AA-AAA Universe yield curve in 2021 and 2020. 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 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 6.3% to 6.8% in 2021, 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
<b>December 31, 2021</b>				
<b>Asset Class:</b>				
Cash and cash equivalents	\$ 19	\$ —	\$ —	\$ 19
Government securities	63	—	—	63
Corporate bonds <sup>(a)</sup>	—	36	—	36
Equity securities <sup>(b)</sup>	46	—	—	46
Other	—	76	—	76
Investments measured at fair value	\$ 128	\$ 112	\$ —	\$ 240
Investments measured at net asset value <sup>(c)</sup>	—	—	—	836
Total pension plan assets <sup>(d)</sup>	\$ 128	\$ 112	\$ —	\$ 1,076
<b>December 31, 2020</b>				
<b>Asset Class:</b>				
Cash and cash equivalents	\$ 38	\$ —	\$ —	\$ 38
Government securities	65	—	—	65
Corporate bonds <sup>(a)</sup>	—	39	—	39
Equity securities <sup>(b)</sup>	138	—	—	138
Other	—	55	—	55
Investments measured at fair value	\$ 241	\$ 94	\$ —	\$ 335
Investments measured at net asset value <sup>(c)</sup>	—	—	—	861
Total pension plan assets <sup>(d)</sup>	\$ 241	\$ 94	\$ —	\$ 1,196

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

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

<sup>(c)</sup> Certain investments measured at fair value using the NAV 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.

<sup>(d)</sup> Amounts exclude net payables of approximately \$6 million as of December 31, 2021 and \$3 million as of December 31, 2020.

Occidental expects to contribute an immaterial amount in cash to its defined benefit pensions plans during 2022.



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
2022	\$ 130	\$ 72
2023	73	70
2024	77	68
2025	71	66
2026	68	64
2027 - 2031	318	306

## NOTE 12 - 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, 2021, Occidental participated in or monitored remedial activities or proceedings at 165 sites. The following table presents Occidental's current and non-current environmental remediation liabilities as of December 31, 2021 and 2020, the current portion of which is included in accrued liabilities (\$155 million in 2021 and \$123 million in 2020) and the remainder in deferred credits and other liabilities - environmental remediation liabilities (\$0.9 billion in 2021 and \$1.0 billion in 2020).

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>	2021		2020	
	Number of Sites	Remediation Balance	Number of Sites	Remediation Balance
NPL sites	30	\$ 427	35	\$ 447
Third-party sites	69	273	69	293
Occidental-operated sites	15	122	17	144
Closed or non-operated Occidental sites	51	277	49	267
<b>Total</b>	<b>165</b>	<b>\$ 1,099</b>	<b>170</b>	<b>\$ 1,151</b>

As of December 31, 2021, Occidental's environmental liabilities exceeded \$10 million each at 20 of the 165 sites described above, and 96 of the sites had liabilities from \$0 to \$1 million each. As of December 31, 2021, two sites — the Maxus-indemnified Diamond Alkali Superfund Site and a landfill in Western New York — accounted for 96% of its liabilities associated with NPL sites. 14 of the 30 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 75% of Occidental's liabilities associated with these sites. Nine of the 69 third-party sites are indemnified by Maxus.

Four sites — oil and gas operations in Colorado and chemical plants in Kansas, Louisiana and Texas — accounted for 69% of the liabilities associated with the Occidental-operated sites. Ten other sites — a landfill in Western New York, a former refinery in Oklahoma, former chemical plants in California, Delaware, Michigan, New York, Ohio, Tennessee and



Washington, and a closed coal mine in Pennsylvania — accounted for 75% 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 \$28 million, \$36 million and \$112 million for the years ended December 31, 2021, 2020, and 2019, 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 40% 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 \$1.3 billion.

### MAXUS ENVIRONMENTAL SITES

When Occidental acquired 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 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 AOC to complete the design of the proposed clean-up plan outlined in the ROD with 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 and 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 and the ROD, or to perform other remediation activities at the Site.

In September 2021, the EPA issued a ROD with an estimated cost of \$441 million for an interim remedy plan for the upper nine miles of the Lower Passaic River. At this time, Occidental's role or responsibilities under this ROD, and those of other potentially responsible parties, have not been determined with the EPA. Discussions between Occidental and the EPA are ongoing about this ROD.

In June 2017, the court overseeing the Maxus bankruptcy approved a Plan to liquidate Maxus and create a trust to pursue claims against current and former parents YPF and 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.

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## NOTE 13 - LAWSUITS, CLAIMS, COMMITMENTS AND CONTINGENCIES

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### 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 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. Reserves for



matters, other than for environmental remediation and the arbitration award disclosed below, that satisfy this criteria as of December 31, 2021 and 2020, 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 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. On March 26, 2021, the arbitration tribunal issued an award in favor of Andes and against OEPC in the amount of \$391 million plus interest. In June 2021, OEPC filed a motion to vacate the award due to concerns regarding the validity of the award. In addition, OEPC has made a demand for significant additional claims not addressed by the arbitration tribunal that OEPC has against Andes relating to Andes' 40% share of costs, liabilities, losses and expenses due under the farmout agreement and joint operating agreement to which Andes and OEPC are parties. In December 2021, the U.S. District Court Southern District of New York confirmed the arbitration award, plus prejudgment interest, in the aggregate amount of \$558 million. OEPC has appealed the judgement.

In August 2019, 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 attempted to reject some of the agreements related to the Bankruptcy Litigation. If Sanchez was permitted to reject certain of those agreements, then Anadarko may owe deficiency payments to various third parties. In December 2021, Occidental and certain of its affiliates entered into an agreement to resolve the Bankruptcy Litigation. Occidental recorded a contingency reserve as of September 30, 2021, associated with the settlement.

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 international tax jurisdictions. Tax years through 2017 for U.S. federal income tax purposes have been audited by the IRS pursuant to its Compliance Assurance Program and subsequent taxable years are currently under review. Tax years through 2012 have been audited for state income tax purposes. Significant audit matters in international 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.

For Anadarko, its taxable years through 2014 and tax year 2016 for U.S. federal tax purposes have been audited by the IRS. Tax years through 2008 have been audited for state income tax purposes. There is one outstanding significant tax matter in an international jurisdiction related to a discontinued operation. 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 a trial date has been set for July 2022 and 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 \$1 billion in federal taxes, \$27 million in state taxes and accrued interest of \$314 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, 2021, 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. As of December 31, 2021, total purchase obligations were \$12.5 billion, which included approximately \$3.0 billion in 2022, \$4.3 billion in 2023 and 2024, \$2.6 billion in 2025 and 2026, and \$2.6 billion in 2027 and thereafter.

## NOTE 14 - STOCKHOLDERS' EQUITY

The following is a summary of common stock issuances:

<i>Shares in thousands</i>	<b>Common Stock</b>
Balance, December 31, 2018	895,116
Issued	3,188
Issued as part of the Acquisition <sup>(a)</sup>	146,131
Balance, December 31, 2019	1,044,435
Issued	36,130
Balance, December 31, 2020	1,080,565
Issued	2,522
Options exercised and other, net	336
<b>Balance, December 31, 2021</b>	<b>1,083,423</b>

<sup>(a)</sup> Included approximately two million shares of common stock issued to a benefits trust for former Anadarko employees treated as treasury stock as of 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 2021 and 2020, no shares were purchased under the program. In 2019, 2.7 million shares were purchased at an average price of \$66.94. Additionally, Occidental purchased shares from the trustee of its defined contribution savings plan in 2021 and 2020. As of December 31, 2021, 2020 and 2019, treasury stock shares numbered 149.3 million, 149.1 million and 150.3 million, respectively.

### PREFERRED STOCK

In connection with the Acquisition, Occidental issued 100,000 shares of series A 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. Occidental paid \$200 million in preferred stock dividends in each quarter of 2021.

As of December 31, 2021 and 2020, Occidental had 100,000 shares of preferred stock issued and outstanding, and none were outstanding in 2019.

### 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 (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 NYSE 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 EPS for the years ended December 31:

<i>millions except per share amounts</i>	2021		2020	
Income (loss) from continuing operations	\$	2,790	\$	(13,533)
Loss from discontinued operations		(468)		(1,298)
Net income (loss)	\$	2,322	\$	(14,831)
Less: Net income attributable to noncontrolling interest		—		—
Less: Preferred stock dividends		(800)		(844)
Net income (loss) attributable to common stock	\$	1,522	\$	(15,675)
Less: Net income allocated to participating securities		(10)		—
Net income (loss), net of participating securities	\$	1,512	\$	(15,675)
Weighted-average number of basic shares		935.0		918.7
<b>Basic earnings (loss) per common share</b>	\$	1.62	\$	(17.06)
Net income (loss), net of participating securities	\$	1,512	\$	(15,675)
Weighted-average number of basic shares		935.0		918.7
Dilutive securities		23.8		—
Total diluted weighted-average common shares		958.8		918.7
<b>Diluted earnings (loss) per common share</b>	\$	1.58	\$	(17.06)

As of December 31, 2021, warrants and options covering 87 million shares of Occidental common stock were excluded from the diluted shares as their effect would have been anti-dilutive. As of December 31, 2020, warrants and options covering 203 million shares of Occidental common stock were excluded from the diluted shares as their effect would have been anti-dilutive.

## ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

Accumulated OCI (loss) consisted of the following after-tax amounts as of December 31:

<i>millions</i>	2021		2020	
Foreign currency translation adjustments	\$	(8)	\$	(6)
Losses on derivatives		(104)		(119)
Pension and postretirement adjustments <sup>(a)</sup>		(96)		(163)
Total	\$	(208)	\$	(288)

<sup>(a)</sup> See Note 11 - Retirement and Postretirement Benefit Plans for further information.

## NOTE 15 - STOCK-BASED INCENTIVE PLANS

Occidental issues stock-based awards to employees in accordance with the terms of the Plan, as amended and restated. An aggregate of 133 million shares of Occidental common stock were authorized for issuance and approximately 16.0 million shares had been reserved for issuance for employee awards through December 31, 2021. As of December 31, 2021, approximately 68.7 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 68.7 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, CROCEI awards and TSRI awards.

During 2021, non-employee directors were granted awards for 88,802 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.



Occidental incurred expenses of \$287 million, \$202 million and \$208 million related to stock-based incentive plans in the years ended December 31, 2021, 2020, and 2019, respectively. The income tax benefit associated with this expense was \$60 million, \$42 million and \$43 million in the years ended December 31, 2021, 2020, and 2019, respectively.

As of December 31, 2021, unrecognized compensation expense for all unvested stock-based incentive awards was \$225 million. This expense is expected to be recognized over a weighted-average period of 1.7 years. Occidental accounts for forfeitures as they occur.

## RESTRICTED STOCK UNITS

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 three years following the grant date. For certain RSUs, dividend equivalents are paid during the vesting period (Term).

## CASH-SETTLED RSU LIABILITY AWARDS

The weighted-average, grant-date fair values of cash-settled RSUs granted in 2021, 2020 and 2019 were \$25.83, \$40.86 and \$42.62 per share, respectively. Cash-settled RSUs resulted in payments of \$4 million, \$3 million and \$4 million, during the years ended December 31, 2021, 2020 and 2019, respectively.

## STOCK-SETTLED RESTRICTED STOCK UNIT EQUITY AWARDS

The weighted-average, grant-date fair values of the stock-settled RSUs granted in 2021, 2020, and 2019 were \$25.45, \$41.60 and \$58.73, respectively. The fair value of RSUs settled in shares during the years ended December 31, 2021, 2020 and 2019 was \$70 million, \$62 million and \$148 million, respectively.

A summary of changes in Occidental's unvested cash- and stock-settled RSUs during the year ended December 31, 2021, 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 as of January 1	5,457	\$	42.41	5,856	\$	50.21
Granted	190	\$	25.83	5,773	\$	25.45
Vested <sup>(a)</sup>	(166)	\$	56.36	(2,750)	\$	53.27
Forfeitures	(106)	\$	40.08	(290)	\$	35.07
Unvested as of December 31	5,375	\$	41.44	8,589	\$	33.10

<sup>(a)</sup> Presented at the target payouts. Stock-settled RSU weighted-average payout at vesting was 95% of the target, resulting in the issuance of approximately 2,605,000 shares of Occidental common stock. Cash-settled RSUs do not have performance criteria.

## TOTAL SHAREHOLDER RETURN INCENTIVE AWARDS

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, 2021, 2020 and 2019 was \$4 million, \$9 million and \$4 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 Term. The risk-free interest rate is the implied yield available on zero coupon Treasury notes 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
	2021	2020	2019
<b>Assumptions used:</b>			
Risk-free interest rate	0.2%	1.4%	2.5%
Volatility factor	75%	26%	22%
Expected life (years)	2.88	3	3
Grant-date fair value of underlying Occidental common stock	\$ 25.39	\$ 41.60	\$ 67.19

A summary of changes in Occidental's unvested TSRIs during the year ended December 31, 2021 is presented below:

<i>thousands, except fair values</i>	Awards	TSRIs	
		Weighted-Average Grant-Date Fair Value of Occidental Stock	
Unvested as of January 1	1,534	\$	58.02
Granted	665	\$	25.39
Vested <sup>(a)</sup>	(420)	\$	69.87
Forfeitures	(10)	\$	25.39
Unvested as of December 31	1,769	\$	43.12

<sup>(a)</sup> Presented at the target payouts. The weighted-average payout at vesting was 34% of the target, resulting in the issuance of approximately 145,000 shares of Occidental common stock.

## STOCK OPTIONS

Certain employees are granted options that vest over three years, expire on the tenth anniversary of the grant date, and settle in stock. 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 \$12.72, as estimated by the Black Scholes model. The inputs to this model are presented below:

	Options	
	2021	
<b>Assumptions used:</b>		
Risk-free interest rate		0.7%
Volatility factor		55%
Expected life (years)		6.00
Dividend yield		0.16%
Grant-date fair value of underlying Occidental common stock	\$	25.39

A summary of Occidental's outstanding stock options as of December 31, 2021 and changes during the year ended December 31, 2021 is presented below:

<i>thousands, except fair values</i>	Vested		Unvested	
	Options	Weighted Average Strike Price	Options	Weighted Average Strike Price
January 1	1,326	\$ 55.38	1,900	\$ 40.03
Granted	—	\$ —	440	\$ 25.39
Vested	910	\$ 40.03	(910)	\$ 40.03
December 31	2,236	\$ 49.13	1,430	\$ 35.52

No options were exercised during the years ended December 31, 2021, 2020 and 2019. As of December 31, 2021, the remaining life of fully vested options was 6.9 years.

**CASH RETURN ON CAPITAL EMPLOYED INCENTIVE AWARDS**

Certain executives are awarded CROCEI awards that vest at the end of a three-year period if performance targets based on CROCE 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. A summary of changes in Occidental's unvested CROCEI during the year ended December 31, 2021 is presented below:

<i>thousands, except fair values</i>	<b>Awards</b>	<b>CROCEI</b>	
		<b>Weighted-Average Grant-Date Fair Value of Occidental Stock</b>	
Unvested as of January 1	197	\$	41.60
Granted	221	\$	25.39
Unvested as of December 31	418	\$	33.03

**NOTE 16 - 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
<b>Year ended December 31, 2021</b>					
Net sales	\$ 18,941	\$ 5,246	\$ 2,863	\$ (1,094)	\$ 25,956
Income (loss) from continuing operations before income taxes	\$ 4,145 <sup>(a)</sup>	\$ 1,544	\$ 257 <sup>(b)</sup>	\$ (2,241) <sup>(c)</sup>	\$ 3,705
Income tax expense	—	—	—	(915) <sup>(d)</sup>	(915)
Income (loss) from continuing operations	\$ 4,145	\$ 1,544	\$ 257	\$ (3,156)	\$ 2,790
Investments in unconsolidated entities	\$ 154	\$ 608	\$ 2,176	\$ —	\$ 2,938
Property, plant and equipment additions <sup>(e)</sup>	\$ 2,458	\$ 316	\$ 107	\$ 50	\$ 2,931
Depreciation, depletion and amortization	\$ 7,741	\$ 343	\$ 325	\$ 38	\$ 8,447
Total assets	\$ 56,132	\$ 4,671	\$ 11,132	\$ 3,101	\$ 75,036
<b>Year ended December 31, 2020</b>					
Net sales	\$ 13,066	\$ 3,733	\$ 1,768	\$ (758)	\$ 17,809
Income (loss) from continuing operations before income taxes	\$ (9,632) <sup>(a)</sup>	\$ 664	\$ (4,175) <sup>(b)</sup>	\$ (2,562) <sup>(c)</sup>	\$ (15,705)
Income tax benefit	—	—	—	2,172 <sup>(d)</sup>	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 <sup>(e)</sup>	\$ 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
<b>Year ended December 31, 2019</b>					
Net sales	\$ 13,941	\$ 4,102	\$ 4,132	\$ (1,264)	\$ 20,911
Income (loss) from continuing operations before income taxes	\$ 2,520 <sup>(a)</sup>	\$ 799	\$ 241 <sup>(b)</sup>	\$ (3,206) <sup>(c)</sup>	\$ 354
Income tax expense	—	—	—	(861) <sup>(d)</sup>	(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 <sup>(e)</sup>	\$ 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

<sup>(a)</sup> The 2021 amount included \$282 million of asset impairments and \$280 million of net oil, gas and CO<sub>2</sub> derivative losses. 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.

<sup>(b)</sup> The 2021 amount included \$252 million in derivative mark-to-market losses and \$124 million of gains on sales, primarily from the sale of 11.5 million limit partner units in WES. 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.

<sup>(c)</sup> The 2021 amount included \$153 million of Anadarko acquisition-related costs, \$122 million net derivative mark-to-market gains on interest rate swaps and \$118 million of early debt extinguishment expenses. 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. The tax effect of these pre-tax adjustments was a \$0.2 billion benefit in 2021, a \$1.9 billion benefit in 2020, and a \$245 million benefit in 2019.

<sup>(d)</sup> Included all foreign and domestic income taxes from continuing operations.

<sup>(e)</sup> Included capital expenditures and capitalized interest, but excluded acquisition and disposition of assets.

**GEOGRAPHIC AREAS**

<i>millions</i>	Property, plant and equipment, net		
	2021	2020	2019
For the years ended December 31,			
United States	\$ 53,197	\$ 59,016	\$ 72,808
International			
UAE	3,645	3,737	3,886
Oman	2,055	1,901	2,115
Algeria	496	664	1,761
Colombia	—	—	1,010
Qatar	468	510	563
Other International	69	61	87
Total International	6,733	6,873	9,422
Total	\$ 59,930	\$ 65,889	\$ 82,230



## 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, 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:

		2021		2020		2019
<b>Average WTI Oil (\$/Bbl)</b>	\$	<b>66.56</b>	\$	39.57	\$	55.69
<b>Average Brent Oil (\$/Bbl)</b>	\$	<b>69.24</b>	\$	43.41	\$	63.03
<b>Average Henry Hub Natural Gas (\$/MMbtu)</b>	\$	<b>3.60</b>	\$	1.98	\$	2.58
<b>Average Mt. Belvieu NGL (\$/Bbl)<sup>(a)</sup></b>	\$	<b>44.22</b>	\$	18.74		N/A

<sup>(a)</sup> 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 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 declines in oil, NGL and natural gas prices would reduce Occidental's operating results and cash flows and could impact its future rate of growth and the recoverability of the carrying value of its assets.

**OIL RESERVES <sup>(a)</sup>**

<i>MMbbl</i>	United States	International <sup>(b)</sup>	Total
<b>PROVED DEVELOPED AND UNDEVELOPED RESERVES</b>			
<b>Balance as of December 31, 2018</b>	1,186	397	1,583
Revisions of previous estimates	(154)	11	(143)
Improved recovery	128	37	165
Extensions and discoveries	37	4	41
Purchases of proved reserves	545	84	629
Sales of proved reserves	(17)	—	(17)
Production	(155)	(64)	(219)
<b>Balance as of December 31, 2019</b>	1,570	469	2,039
Revisions of previous estimates	(283)	(1)	(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)	(59)	(264)
<b>Balance as of December 31, 2020</b>	1,144	331	1,475
Revisions of previous estimates <sup>(c)</sup>	<b>382</b>	<b>4</b>	<b>386</b>
Improved recovery	<b>6</b>	<b>13</b>	<b>19</b>
Extensions and discoveries	<b>88</b>	<b>1</b>	<b>89</b>
Purchases of proved reserves	<b>33</b>	<b>—</b>	<b>33</b>
Sales of proved reserves	<b>(5)</b>	<b>—</b>	<b>(5)</b>
Production	<b>(182)</b>	<b>(44)</b>	<b>(226)</b>
<b>Balance as of December 31, 2021</b>	<b>1,466</b>	<b>305</b>	<b>1,771</b>
<b>PROVED DEVELOPED RESERVES</b>			
December 31, 2018	843	317	1,160
December 31, 2019	1,206	371	1,577
December 31, 2020	917	251	1,168
<b>December 31, 2021 <sup>(d)</sup></b>	<b>1,140</b>	<b>226</b>	<b>1,366</b>
<b>PROVED UNDEVELOPED RESERVES</b>			
December 31, 2018	343	80	423
December 31, 2019	364	98	462
December 31, 2020	227	80	307
<b>December 31, 2021</b>	<b>326</b>	<b>79</b>	<b>405</b>

<sup>(a)</sup> Excluded reserve amounts related to discontinued operations and held for sale assets in 2020 and 2019. Proved reserves for held for sale assets as of December 31, 2021 were immaterial.

<sup>(b)</sup> For 2021, included Middle East and North Africa. For 2020, 2019 and 2018, also included Latin America, which primarily consisted of Colombia, which was sold in 2020. Total proved oil reserves for Latin America were 101 MMboe and 96 MMboe as of December 31, 2019 and 2018, respectively.

<sup>(c)</sup> Revisions of previous estimates in 2021 included the effects of price revisions, new infill drilling and other updates, including changes in reservoir performance, economic conditions, and development plans. Positive price revisions of 235 MMboe were primarily in the Permian Basin (230 MMboe) and the DJ Basin (11 MMboe), partially offset by negative price revisions of 24 MMboe related to PSCs. Another 92 MMboe in positive revisions were related to additions associated with infill development projects, primarily in the Permian Basin (57 MMboe) and the DJ Basin (24 MMboe). Further positive revisions of 34 MMboe were associated with updates based on reservoir performance, various other cost related revisions (16 MMboe), and changes in development plans (8 MMboe).

<sup>(d)</sup> Approximately 9% of the proved developed reserves as of December 31, 2021, were nonproducing, primarily associated with the Permian Basin and Oman.

**NGL RESERVES <sup>(a)</sup>**

<i>MMbbl</i>	United States	International <sup>(b)</sup>	Total
<b>PROVED DEVELOPED AND UNDEVELOPED RESERVES</b>			
<b>Balance as of December 31, 2018</b>	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)
<b>Balance as of December 31, 2019</b>	540	208	748
Revisions of previous estimates	(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)
<b>Balance as of December 31, 2020</b>	384	215	599
Revisions of previous estimates <sup>(c)</sup>	227	(1)	226
Improved recovery	—	—	—
Extensions and discoveries	27	—	27
Purchases of proved reserves	7	—	7
Sales of proved reserves	(2)	—	(2)
Production	(79)	(12)	(91)
<b>Balance as of December 31, 2021</b>	564	202	766
<b>PROVED DEVELOPED RESERVES</b>			
December 31, 2018	196	145	341
December 31, 2019	406	147	553
December 31, 2020	314	138	452
<b>December 31, 2021 <sup>(d)</sup></b>	<b>433</b>	<b>125</b>	<b>558</b>
<b>PROVED UNDEVELOPED RESERVES</b>			
December 31, 2018	88	57	145
December 31, 2019	134	61	195
December 31, 2020	70	77	147
<b>December 31, 2021</b>	<b>131</b>	<b>77</b>	<b>208</b>

<sup>(a)</sup> Excluded reserve amounts related to discontinued operations and held for sale assets in 2020 and 2019. Proved reserves for held for sale assets as of December 31, 2021 were immaterial.

<sup>(b)</sup> Included Middle East and North Africa.

<sup>(c)</sup> Revisions of previous estimates in 2021 included the effects of price revisions, new infill drilling and other updates, including changes in reservoir performance, economic conditions and development plans. Positive price revisions of 97 MMbbl were primarily in the Permian Basin (80 MMbbl) and the DJ Basin (17 MMbbl). Another 54 MMbbl in positive revisions were related to additions associated with infill development projects, primarily in the DJ Basin (28 MMbbl) and the Permian Basin (25 MMbbl). Further positive revisions of 47 MMbbl were associated with updates based on reservoir performance, various other cost related revisions (19 MMbbl), and changes in development plans (10 MMbbl).

<sup>(d)</sup> Approximately 4% of the proved developed reserves as of December 31, 2021, were nonproducing, primarily associated with the Permian Basin.

**NATURAL GAS RESERVES** <sup>(a)</sup>

<i>Bcf</i>	United States	International <sup>(b)</sup>	Total
<b>PROVED DEVELOPED AND UNDEVELOPED RESERVES</b>			
<b>Balance as of December 31, 2018</b>	1,445	2,650	4,095
Revisions of previous estimates	(409)	89	(320)
Improved recovery	393	32	425
Extensions and discoveries	59	5	64
Purchases of proved reserves	2,996	—	2,996
Sales of proved reserves	(30)	—	(30)
Production	(326)	(204)	(530)
<b>Balance as of December 31, 2019</b>	4,128	2,572	6,700
Revisions of previous estimates	(823)	102	(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)	(195)	(756)
<b>Balance as of December 31, 2020</b>	2,446	2,573	5,019
Revisions of previous estimates <sup>(c)</sup>	1,274	27	1,301
Improved recovery	3	3	6
Extensions and discoveries	176	—	176
Purchases of proved reserves	22	—	22
Sales of proved reserves	(25)	—	(25)
Production	(477)	(172)	(649)
<b>Balance as of December 31, 2021</b>	3,419	2,431	5,850
<b>PROVED DEVELOPED RESERVES</b>			
December 31, 2018	978	2,026	3,004
December 31, 2019	3,198	2,007	5,205
December 31, 2020	2,028	1,846	3,874
<b>December 31, 2021 <sup>(d)</sup></b>	<b>2,632</b>	<b>1,705</b>	<b>4,337</b>
<b>PROVED UNDEVELOPED RESERVES</b>			
December 31, 2018	467	624	1,091
December 31, 2019	930	565	1,495
December 31, 2020	418	727	1,145
<b>December 31, 2021</b>	<b>787</b>	<b>726</b>	<b>1,513</b>

<sup>(a)</sup> Excluded reserve amounts related to discontinued operations and held for sale assets in 2020 and 2019. Proved reserves for held for sale assets as of December 31, 2021 were immaterial.

<sup>(b)</sup> For 2021, included Middle East, North Africa and Latin America. For 2020, 2019 and 2018, Latin America also included Colombia which was sold in 2020. Total proved natural gas reserves for Latin America were 12 Bcf and 11 Bcf as of December 31, 2019 and 2018, respectively.

<sup>(c)</sup> Revisions of previous estimates in 2021 included the effects of price revisions, new infill drilling and other updates, including changes in reservoir performance, economic conditions and development plans. Positive price revisions of 533 Bcf were primarily in the Permian Basin (420 Bcf) and the DJ Basin (140 Bcf), partially offset by negative price revisions of 51 Bcf related to PSCs. Another 371 Bcf in positive revisions were related to additions associated with infill development projects, primarily in the DJ Basin (229 Bcf) and the Permian Basin (126 Bcf). Further positive revisions were associated with changes in development plans (146 Bcf), various other cost related revisions (135 Bcf), and updates based on reservoir performance (114 Bcf).

<sup>(d)</sup> Approximately 2% of the proved developed reserves as of December 31, 2021, were nonproducing, primarily associated with the Permian Basin, DJ Basin and Oman.

**TOTAL RESERVES <sup>(a)</sup>**

<i>MMboe <sup>(b)</sup></i>	United States	International <sup>(c)</sup>	Total
<b>PROVED DEVELOPED AND UNDEVELOPED RESERVES</b>			
<b>Balance as of December 31, 2018</b>	1,711	1,041	2,752
Revisions of previous estimates	(243)	35	(208)
Improved recovery	251	42	293
Extensions and discoveries	58	5	63
Purchases of proved reserves	1,311	94	1,405
Sales of proved reserves	(29)	—	(29)
Production	(261)	(111)	(372)
<b>Balance as of December 31, 2019</b>	2,798	1,106	3,904
Revisions of previous estimates	(510)	26	(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)	(104)	(484)
<b>Balance as of December 31, 2020</b>	1,936	975	2,911
Revisions of previous estimates <sup>(d)</sup>	821	8	829
Improved recovery	7	13	20
Extensions and discoveries	144	1	145
Purchases of proved reserves	44	—	44
Sales of proved reserves	(11)	—	(11)
Production	(341)	(85)	(426)
<b>Balance as of December 31, 2021</b>	<b>2,600</b>	<b>912</b>	<b>3,512</b>
<b>PROVED DEVELOPED RESERVES</b>			
December 31, 2018	1,202	800	2,002
December 31, 2019	2,145	853	2,998
December 31, 2020	1,569	697	2,266
<b>December 31, 2021 <sup>(e)</sup></b>	<b>2,012</b>	<b>635</b>	<b>2,647</b>
<b>PROVED UNDEVELOPED RESERVES</b>			
December 31, 2018	509	241	750
December 31, 2019	653	253	906
December 31, 2020	367	278	645
<b>December 31, 2021</b>	<b>588</b>	<b>277</b>	<b>865</b>

<sup>(a)</sup> Excluded reserve amounts related to discontinued operations and held for sale assets in 2020 and 2019. Proved reserves for held for sale assets as of December 31, 2021 were immaterial.

<sup>(b)</sup> Natural gas volumes have been converted to Boe based on an energy content of six Mcf of gas to one barrel of oil. Conversion to Boe does not necessarily result in price equivalency.

<sup>(c)</sup> For 2021, included Middle East, North Africa and Latin America. For 2020, 2019 and 2018, Latin America also included Colombia which was sold in 2020. Total proved reserves for Latin America were 103 MMboe and 98 MMboe and as of December 31, 2019 and 2018, respectively.

<sup>(d)</sup> Revisions of previous estimates in 2021 included the effects of price revisions, new infill drilling and other updates, including changes in reservoir performance, economic conditions and development plans. Positive price revisions of 421 MMboe were primarily in the Permian Basin (380 MMboe) and the DJ Basin (51 MMboe), partially offset by negative price revisions of 35 MMboe related to PSCs. Another 208 MMboe in positive revisions were related to additions associated with infill development projects, primarily in the Permian Basin (103 MMboe) and the DJ Basin (90 MMboe). Further positive revisions were associated with updates based on reservoir performance (101 MMboe), various other cost related revisions (57 MMboe), and changes in development plans (42 MMboe).

<sup>(e)</sup> Approximately 6% of the proved developed reserves as of December 31, 2021, were 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&amp;A were as follows:

<i>millions</i>	United States		International <sup>(a)</sup>		Total
<b>December 31, 2021</b>					
Proved properties	\$	66,443	\$	15,232	\$ 81,675
Unproved properties		19,423		153	19,576
<b>Total capitalized costs <sup>(b)</sup></b>		<b>85,866</b>		<b>15,385</b>	<b>101,251</b>
Proved properties depreciation, depletion and amortization		(32,355)		(11,821)	(44,176)
Unproved properties valuation		(4,789)		(27)	(4,816)
Total Accumulated depreciation, depletion and amortization		(37,144)		(11,848)	(48,992)
<b>Net capitalized costs</b>	\$	<b>48,722</b>	\$	<b>3,537</b>	<b>\$ 52,259</b>
<b>December 31, 2020</b>					
Proved properties	\$	63,988	\$	14,548	\$ 78,536
Unproved properties		23,713		205	23,918
<b>Total capitalized costs <sup>(b,c)</sup></b>		<b>87,701</b>		<b>14,753</b>	<b>102,454</b>
Proved properties depreciation, depletion and amortization		(27,914)		(11,140)	(39,054)
Unproved properties valuation		(5,285)		(27)	(5,312)
Total Accumulated depreciation, depletion and amortization		(33,199)		(11,167)	(44,366)
<b>Net capitalized costs</b>	\$	<b>54,502</b>	\$	<b>3,586</b>	<b>\$ 58,088</b>
<b>December 31, 2019</b>					
Proved properties	\$	59,658	\$	17,374	\$ 77,032
Unproved properties		30,301		468	30,769
<b>Total capitalized costs <sup>(b,c,d)</sup></b>		<b>89,959</b>		<b>17,842</b>	<b>107,801</b>
Proved properties depreciation, depletion and amortization		(20,961)		(11,655)	(32,616)
Unproved properties valuation		(1,025)		(197)	(1,222)
Total Accumulated depreciation, depletion and amortization		(21,986)		(11,852)	(33,838)
<b>Net capitalized costs</b>	\$	<b>67,973</b>	\$	<b>5,990</b>	<b>\$ 73,963</b>

<sup>(a)</sup> For 2021, included Middle East, North Africa and Latin America. For 2020 and 2019, Latin America also included Colombia, which was sold in 2020. For the year ended December 31, 2019, Latin America had total net capitalized costs of \$1.0 billion.

<sup>(b)</sup> Included acquisition costs, development costs, capitalized interest and AROs.

<sup>(c)</sup> Excluded capitalized costs related to Ghana, which was presented as held for sale as of December 31, 2020 and 2019. Excluded capitalized costs related to South Africa, which was presented as held for sale as of December 31, 2019.

<sup>(d)</sup> \$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		International <sup>(a)</sup>		Total
<b>December 31, 2021 <sup>(b)</sup></b>					
Property acquisition costs					
Proved properties	\$	378	\$	1	\$ 379
Unproved properties		51		—	51
Exploration costs		147		143	290
Development costs		1,749		366	2,115
<b>Costs incurred</b>	<b>\$</b>	<b>2,325</b>	<b>\$</b>	<b>510</b>	<b>\$ 2,835</b>
<b>December 31, 2020 <sup>(b)</sup></b>					
Property acquisition costs					
Proved properties	\$	7	\$	35	\$ 42
Unproved properties		41		24	65
Exploration costs		117		95	212
Development costs		1,376		466	1,842
<b>Costs incurred</b>	<b>\$</b>	<b>1,541</b>	<b>\$</b>	<b>620</b>	<b>\$ 2,161</b>
<b>December 31, 2019 <sup>(b)</sup></b>					
Property acquisition costs					
Proved properties	\$	19,567	\$	1,915	\$ 21,482
Unproved properties		29,042		12	29,054
Exploration costs		307		200	507
Development costs		4,449		771	5,220
<b>Costs incurred</b>	<b>\$</b>	<b>53,365</b>	<b>\$</b>	<b>2,898</b>	<b>\$ 56,263</b>

<sup>(a)</sup> For 2021, included Middle East, North Africa and Latin America. For 2020 and 2019, Latin America also included Colombia, which was sold in 2020. For the years ended December 31, 2020 and 2019, Latin America incurred costs of \$97 million and \$261 million, respectively.

<sup>(b)</sup> Excluded costs incurred related to the Mozambique (sold 2019), South Africa (sold 2020) and Ghana (sold 2021) assets.

**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		International <sup>(a)</sup>		Total
<b>FOR THE YEAR ENDED DECEMBER 31, 2021</b>					
Revenues <sup>(b)</sup>	\$	15,817	\$	3,462	\$ 19,279
Lease operating costs		2,341		883	3,224
Transportation costs		1,306		65	1,371
Other operating expenses		896		176	1,072
Depreciation, depletion and amortization		7,053		687	7,740
Taxes other than on income		785		209	994
Exploration expenses		158		94	252
Oil and gas mark-to-market - Collars and CO <sub>2</sub>		280		—	280
<b>Pretax income (loss) before impairments and other charges</b>		<b>2,998</b>		<b>1,348</b>	<b>4,346</b>
Asset impairments and other charges		282		—	282
<b>Pretax income (loss)</b>		<b>2,716</b>		<b>1,348</b>	<b>4,064</b>
Income tax expense (benefit) <sup>(c)</sup>		508		656	1,164
<b>Results of operations</b>	\$	<b>2,208</b>	\$	<b>692</b>	\$ <b>2,900</b>
<b>FOR THE YEAR ENDED DECEMBER 31, 2020</b>					
Revenues <sup>(b)</sup>	\$	9,058	\$	2,947	\$ 12,005
Lease operating costs		2,169		921	3,090
Transportation costs		1,425		72	1,497
Other operating expenses		960		221	1,181
Depreciation, depletion and amortization		6,611		803	7,414
Taxes other than on income		503		111	614
Exploration expenses		68		64	132
Oil and gas mark-to-market - Collars and CO <sub>2</sub>		(1,089)		—	(1,089)
<b>Pretax income (loss) before impairments and other charges</b>		<b>(1,589)</b>		<b>755</b>	<b>(834)</b>
Asset impairments and other charges		5,973		1,208	7,181
<b>Pretax income (loss)</b>		<b>(7,562)</b>		<b>(453)</b>	<b>(8,015)</b>
Income tax expense (benefit) <sup>(c)</sup>		(1,663)		428	(1,235)
<b>Results of operations</b>	\$	<b>(5,899)</b>	\$	<b>(881)</b>	\$ <b>(6,780)</b>
<b>FOR THE YEAR ENDED DECEMBER 31, 2019</b>					
Revenues <sup>(b)</sup>	\$	9,497	\$	4,556	\$ 14,053
Lease operating costs		2,271		1,103	3,374
Transportation costs		647		97	744
Other operating expenses		1,125		258	1,383
Depreciation, depletion and amortization		4,113		1,040	5,153
Taxes other than on income		651		141	792
Exploration expenses		99		148	247
Oil and gas mark-to-market - CO <sub>2</sub>		15		—	15
<b>Pretax income before impairments and other charges</b>		<b>576</b>		<b>1,769</b>	<b>2,345</b>
Asset impairments and other charges		288		39	327
<b>Pretax income</b>		<b>288</b>		<b>1,730</b>	<b>2,018</b>
Income tax expense <sup>(c)</sup>		74		937	1,011
<b>Results of operations</b>	\$	<b>214</b>	\$	<b>793</b>	\$ <b>1,007</b>

<sup>(a)</sup> For 2021, included Middle East, North Africa and Latin America. For 2020 and 2019, Latin America also included Colombia, which was sold in 2020. For the years ended December 31, 2020 and 2019, Latin America's results of operations were \$56 million and \$161 million, respectively. Results of operations excluded discontinued operations related to the Mozambique (sold 2019), South Africa (sold 2020) and Ghana (sold 2021) assets.

<sup>(b)</sup> Revenues are net of royalty payments.

<sup>(c)</sup> 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.

**RESULTS PER UNIT OF PRODUCTION FOR CONTINUING OPERATIONS**

\$/Boe <sup>(a)</sup>	United States		International <sup>(b)</sup>		Total
<b>FOR THE YEAR ENDED DECEMBER 31, 2021</b>					
Revenues <sup>(c)</sup>	\$	46.42	\$	40.82	\$ 45.31
Lease operating costs		6.87		10.41	7.58
Transportation costs		3.83		0.76	3.22
Other operating expenses		2.63		2.08	2.52
Depreciation, depletion and amortization		20.70		8.10	18.19
Taxes other than on income		2.30		2.47	2.34
Exploration expenses		0.46		1.10	0.59
Oil and gas mark-to-market - Collars and CO <sub>2</sub>		0.82		—	0.66
<b>Pretax income (loss) before impairments and other charges</b>		<b>8.81</b>		<b>15.90</b>	<b>10.21</b>
Asset impairments and other charges		0.83		—	0.66
<b>Pretax income (loss)</b>		<b>7.98</b>		<b>15.90</b>	<b>9.55</b>
Income tax expense <sup>(d)</sup>		1.49		7.73	2.73
<b>Results of operations</b>	<b>\$</b>	<b>6.49</b>	<b>\$</b>	<b>8.17</b>	<b>\$ 6.82</b>
<b>FOR THE YEAR ENDED DECEMBER 31, 2020</b>					
Revenues <sup>(c)</sup>	\$	23.86	\$	28.15	\$ 24.79
Lease operating costs		5.71		8.80	6.38
Transportation costs		3.75		0.69	3.09
Other operating expenses		2.53		2.11	2.44
Depreciation, depletion and amortization		17.41		7.67	15.31
Taxes other than on income		1.32		1.06	1.27
Exploration expenses		0.18		0.61	0.27
Oil and gas mark-to-market - CO <sub>2</sub>		(2.87)		—	(2.25)
<b>Pretax income (loss) before impairments and other charges</b>		<b>(4.17)</b>		<b>7.21</b>	<b>(1.72)</b>
Asset impairments and other charges		15.73		11.54	14.83
<b>Pretax income (loss)</b>		<b>(19.90)</b>		<b>(4.33)</b>	<b>(16.55)</b>
Income tax expense (benefit) <sup>(d)</sup>		(4.38)		4.09	(2.55)
<b>Results of operations</b>	<b>\$</b>	<b>(15.52)</b>	<b>\$</b>	<b>(8.42)</b>	<b>\$ (14.00)</b>
<b>FOR THE YEAR ENDED DECEMBER 31, 2019</b>					
Revenues <sup>(c)</sup>	\$	36.43	\$	40.94	\$ 37.78
Lease operating costs		8.71		9.91	9.07
Transportation costs		2.48		0.87	2.00
Other operating expenses		4.32		2.32	3.72
Depreciation, depletion and amortization		15.78		9.35	13.85
Taxes other than on income		2.50		1.27	2.13
Exploration expenses		0.38		1.33	0.66
Oil and gas mark-to-market - CO <sub>2</sub>		0.06		—	0.04
<b>Pretax income before impairments and other charges</b>		<b>2.20</b>		<b>15.89</b>	<b>6.31</b>
Asset impairments and other charges		1.11		0.35	0.88
<b>Pretax income (loss)</b>		<b>1.09</b>		<b>15.54</b>	<b>5.43</b>
Income tax expense <sup>(d)</sup>		0.29		8.42	2.72
<b>Results of operations</b>	<b>\$</b>	<b>0.80</b>	<b>\$</b>	<b>7.12</b>	<b>\$ 2.71</b>

<sup>(a)</sup> Natural gas volumes have been converted to Boe based on energy content of six Mcf of gas to one barrel of oil.

<sup>(b)</sup> For 2021, included Middle East, North Africa and Latin America. For 2020 and 2019, Latin America also included Colombia, which was sold in 2020. For the years ended December 31, 2020 and 2019, Latin America's results of operations per unit of production were \$4.62 per Boe and \$12.99 per Boe, respectively. Results of operations excluded discontinued operations related to the Mozambique (sold 2019), South Africa (sold 2020) and Ghana (sold 2021) assets.

<sup>(c)</sup> Revenues are net of royalty payments.

<sup>(d)</sup> 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.

**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, 2021, 2020 and 2019, 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 as of December 31, 2021, 2020 and 2019. 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**

Millions		United States	International <sup>(a)</sup>	Total
<b>Balance as of December 31, 2021</b>				
Future cash inflows	\$	116,014	28,865	144,879
Future costs				
Production costs and other operating		(47,803)	(9,284)	(57,087)
Development costs <sup>(b)</sup>		(12,186)	(3,004)	(15,190)
Future income tax expense		(9,875)	(3,544)	(13,419)
<b>Future net cash flows</b>		<b>46,150</b>	<b>13,033</b>	<b>59,183</b>
10% discount factor		(19,538)	(5,821)	(25,359)
<b>Standardized measure of discounted future net cash flows</b>	<b>\$</b>	<b>26,612</b>	<b>7,212</b>	<b>33,824</b>
<b>Balance as of December 31, 2020</b>				
Future cash inflows	\$	49,050	21,270	70,320
Future costs				
Production costs and other operating		(29,147)	(8,304)	(37,451)
Development costs <sup>(b)</sup>		(9,103)	(2,410)	(11,513)
Future income tax expense		(19)	(2,088)	(2,107)
<b>Future net cash flows</b>		<b>10,781</b>	<b>8,468</b>	<b>19,249</b>
10% discount factor		(3,827)	(4,071)	(7,898)
<b>Standardized measure of discounted future net cash flows</b>	<b>\$</b>	<b>6,954</b>	<b>4,397</b>	<b>11,351</b>
<b>Balance as of December 31, 2019</b>				
Future cash inflows	\$	97,293	39,061	136,354
Future costs				
Production costs and other operating		(47,685)	(14,142)	(61,827)
Development costs <sup>(b)</sup>		(13,137)	(3,272)	(16,409)
Future income tax expense		(4,097)	(4,529)	(8,626)
<b>Future net cash flows</b>		<b>32,374</b>	<b>17,118</b>	<b>49,492</b>
10% discount factor		(12,427)	(7,836)	(20,263)
<b>Standardized measure of discounted future net cash flows</b>	<b>\$</b>	<b>19,947</b>	<b>9,282</b>	<b>29,229</b>

<sup>(a)</sup> For 2021, included Middle East, North Africa and Latin America. For 2020 and 2019, Latin America also included Colombia, which was sold in 2020. For the years ended December 31, 2020 and 2019, the standardized measure of discounted future net cash flows for Latin America were outflows of \$6 million and inflows of \$1.0 billion, respectively. Excluded discontinued operations related to Ghana (sold 2021).

<sup>(b)</sup> Included ARO costs.



**CHANGES IN THE STANDARDIZED MEASURE OF DISCOUNTED FUTURE NET CASH FLOWS FROM PROVED RESERVE QUANTITIES <sup>(a)</sup>**

millions		2021	2020	2019
<b>Balance as of January 1</b>	\$	<b>11,351</b>	\$ 29,229	\$ 23,461
Sales and transfers of oil and gas produced, net of production costs and other operating expenses		<b>(13,983)</b>	(6,483)	(9,207)
Net change in prices received per barrel, net of production costs and other operating expenses		<b>32,464</b>	(19,738)	(6,506)
Extensions, discoveries and improved recovery, net of future production and development costs		<b>2,412</b>	1,007	2,607
Change in estimated future development costs		<b>(376)</b>	1,686	(1,666)
Revisions of quantity estimates		<b>10,296</b>	(1,989)	(2,172)
Previously estimated development costs incurred during the period		<b>1,277</b>	1,680	3,304
Accretion of discount		<b>1,009</b>	2,541	2,381
Net change in income taxes		<b>(6,249)</b>	3,212	3,285
Purchases and sales of reserves in place, net		<b>377</b>	(651)	11,229
Changes in production rates and other		<b>(4,754)</b>	857	2,513
<b>Net change</b>		<b>22,473</b>	(17,878)	5,768
<b>Balance as of December 31</b>	\$	<b>33,824</b>	\$ 11,351	\$ 29,229

<sup>(a)</sup> Excluded results from discontinued operations.

**AVERAGE SALES PRICE**

The following table sets forth, for each year in the three-year period ended December 31, 2021, Occidental's approximate average sales prices for ongoing operations:

		United States		International <sup>(a)</sup>		Total
<b>2021</b>						
Oil (\$/Bbl)	\$	<b>66.39</b>	\$	<b>65.08</b>	\$	<b>66.14</b>
NGL (\$/Bbl)	\$	<b>30.62</b>	\$	<b>26.13</b>	\$	<b>30.01</b>
Gas (\$/Mcf)	\$	<b>3.30</b>	\$	<b>1.69</b>	\$	<b>2.87</b>
<b>2020</b>						
Oil (\$/Bbl)	\$	36.39	\$	41.50	\$	37.34
NGL (\$/Bbl)	\$	11.98	\$	16.22	\$	12.58
Gas (\$/Mcf)	\$	1.18	\$	1.67	\$	1.31
<b>2019</b>						
Oil (\$/Bbl)	\$	54.31	\$	62.00	\$	56.26
NGL (\$/Bbl)	\$	16.03	\$	21.85	\$	17.20
Gas (\$/Mcf)	\$	1.31	\$	1.66	\$	1.45

<sup>(a)</sup> Included Middle East, North Africa and Latin America. 2020 and 2019 average realized prices have been adjusted to reflect the exclusion of Colombia, which was sold in 2020.



**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, 2021, Occidental's net productive and dry exploratory and development wells completed:

	United States	International <sup>(a)</sup>	Total
<b>2021</b>			
Oil			
Exploratory	6	4	10
Development	292	42	334
Gas			
Exploratory	—	1	1
Development	4	—	4
Dry			
Exploratory	4	2	6
Development	1	—	1
<b>2020</b>			
Oil			
Exploratory	7	2	9
Development	240	81	321
Gas			
Exploratory	—	2	2
Development	6	1	7
Dry			
Exploratory	—	1	1
Development	—	—	—
<b>2019</b>			
Oil			
Exploratory	22	7	29
Development	422	197	619
Gas			
Exploratory	—	7	7
Development	2	2	4
Dry			
Exploratory	1	9	10
Development	—	1	1

<sup>(a)</sup> Included Middle East, North Africa and Latin America.



## PRODUCTIVE OIL AND GAS WELLS

The following table sets forth, as of December 31, 2021, Occidental's productive oil and gas wells (both producing and capable of production):

	United States		International <sup>(b)</sup>		Total
Oil <sup>(a)</sup>					
Gross <sup>(c)</sup>	19,050	(984)	2,808	—	21,858
Net <sup>(d)</sup>	15,816	(886)	1,238	(34)	17,054
Gas <sup>(a)</sup>					
Gross <sup>(c)</sup>	4,414	(1,938)	159	(2)	4,573
Net <sup>(d)</sup>	3,188	(1,774)	92	(4)	3,280

<sup>(a)</sup> The numbers in parentheses indicate the number of wells with multiple completions.

<sup>(b)</sup> Included Middle East and North Africa.

<sup>(c)</sup> The total number of wells in which interests are owned.

<sup>(d)</sup> The sum of fractional interests.

## PARTICIPATION IN WELLS BEING DRILLED OR PENDING COMPLETION

The following table sets forth, as of December 31, 2021, Occidental's participation in exploratory and development wells being drilled:

	United States	International <sup>(a)</sup>	Total
Exploratory and development wells being drilled			
Gross	7	17	24
Net	5	13	18
Exploratory and development wells pending completion <sup>(b)</sup>			
Gross	86	3	89
Net	63	1	64

<sup>(a)</sup> Included Middle East, North Africa and Latin America.

<sup>(b)</sup> 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 17 MMboe of PUD reserves primarily assigned to U.S. onshore development wells suspended or waiting on completion as of December 31, 2021. Occidental expects to convert all of these PUD reserves to developed status within five years of their initial disclosure.

As of December 31, 2021, Occidental was participating in 167 and 42 gross pressure-maintenance projects in the United States and Internationally, respectively. In the United States, these projects primarily consisted of waterfloods with some CO<sub>2</sub> floods, and in the Middle East and North Africa, these projects consisted mostly of waterfloods.



## OIL AND GAS ACREAGE

The following table sets forth, as of December 31, 2021, Occidental's holdings of developed and undeveloped oil and gas acreage:

<i>thousands</i>	United States	International <sup>(a)</sup>	Total
Developed <sup>(b)</sup>			
Gross <sup>(c)</sup>	6,409	1,139	7,548
Net <sup>(d)</sup>	4,007	379	4,386
Undeveloped <sup>(e)</sup>			
Gross <sup>(c)</sup>	1,223	8,444	9,667
Net <sup>(d)</sup>	877	7,046	7,923
Fee Mineral Ownership <sup>(f)</sup>			
Gross <sup>(c)</sup>	8,034	—	8,034
Net <sup>(d)</sup>	4,568	—	4,568

<sup>(a)</sup> Included Middle East, North Africa and Latin America.

<sup>(b)</sup> Acres spaced or assigned to productive wells.

<sup>(c)</sup> Total acres in which interests are held.

<sup>(d)</sup> Sum of the fractional interests owned based on working interests, or interests under PSCs and other economic arrangements.

<sup>(e)</sup> 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.

<sup>(f)</sup> 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, 2021. 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.

<b>Sales per Day from Ongoing Operations (Mboe/d)</b>	<b>2021</b>	2020	2019
<b>United States</b>			
Permian	487	575	509
Rockies & Other Domestic	302	332	147
Gulf of Mexico	144	130	58
Total	933	1,037	714
<b>International</b>			
Algeria and Other International	43	46	25
Al Hosn Gas	76	78	82
Dolphin	40	45	42
Oman	74	85	89
Total	233	254	238
<b>Total Sales from Ongoing Operations (Mboe/d)</b>	<b>1,166</b>	1,291	952
Operations exited or exiting	18	60	77
<b>Total Sales (Mboe/d)</b>	<b>1,184</b>	1,351	1,029



Sales per Day by Products from Ongoing Operations	2021	2020	2019
<b>United States</b>			
Oil (Mbbbl)			
Permian	286	343	324
Rockies & Other Domestic	93	109	53
Gulf of Mexico	119	109	48
Total	498	561	425
NGL (Mbbbl)			
Permian	110	129	104
Rockies & Other Domestic	97	83	32
Gulf of Mexico	10	9	4
Total	217	221	140
Natural gas (MMcf)			
Permian	548	620	486
Rockies & Other Domestic	676	838	373
Gulf of Mexico	84	71	34
Total	1,308	1,529	893
<b>International</b>			
Oil (Mbbbl)			
Algeria and Other International	39	42	22
Al Hosn Gas	13	14	14
Dolphin	7	7	7
Oman	61	65	66
Total	120	128	109
NGL (Mbbbl)			
Algeria and Other International	3	3	2
Al Hosn Gas	23	25	26
Dolphin	8	9	8
Total	34	37	36
Natural gas (MMcf)			
Algeria and Other International	6	6	7
Al Hosn Gas	234	238	251
Dolphin	151	171	161
Oman	80	120	138
Total	471	535	557
<b>Total Sales from Ongoing Operations (Mboe/d)</b>	<b>1,166</b>	<b>1,291</b>	<b>952</b>

## Schedule II – Valuation and Qualifying Accounts

Occidental Petroleum Corporation  
and Subsidiaries

<i>millions</i>	Balance at Beginning of Period	Additions		Deductions <sup>(a)</sup>	Balance at End of Period
		Charged to Costs and Expenses	Charged to Other Accounts		
<b>2021</b>					
Allowance for doubtful accounts	\$ 822	\$ 56	\$ (11)	\$ —	\$ 867 <sup>(b)</sup>
Environmental, litigation, tax and other reserves	\$ 2,429	\$ 900	\$ 94	\$ (259)	\$ 3,164 <sup>(c)</sup>
<b>2020</b>					
Allowance for doubtful accounts	\$ 788	\$ 37	\$ (3)	\$ —	\$ 822 <sup>(b)</sup>
Environmental, litigation, tax and other reserves	\$ 2,411	\$ 115	\$ 43	\$ (140)	\$ 2,429 <sup>(c)</sup>
<b>2019</b>					
Allowance for doubtful accounts	\$ 668	\$ 126	\$ (6)	\$ —	\$ 788 <sup>(b)</sup>
Environmental, litigation, tax and other reserves	\$ 994	\$ 182	\$ 1,408	\$ (173)	\$ 2,411 <sup>(c)</sup>

<sup>(a)</sup> Primarily represents payments.

<sup>(b)</sup> Of these amounts, \$46 million, \$42 million and \$22 million in 2021, 2020, and 2019, respectively, were classified as current.

<sup>(c)</sup> Of these amounts, \$790 million, \$149 million and \$188 million in 2021, 2020, and 2019, respectively, were 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**

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### **MANAGEMENT'S ANNUAL ASSESSMENT OF AND REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING**

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The management of Occidental Petroleum Corporation and its subsidiaries 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 GAAP. 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 GAAP 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, 2021, 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, 2021, 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.

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## **DISCLOSURE CONTROLS AND PROCEDURES**

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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, 2021.

Occidental is converting legacy Anadarko's information into Occidental's primary enterprise resource planning system during the first quarter of 2022. Certain existing internal controls will be modified and new controls will be implemented. 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 2021 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.

## **ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS**

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 on our website, [www.oxy.com](http://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, 2021.

## 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, 2021.

## 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 16.0 million had been reserved for issuance through December 31, 2021. 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))
16,627,404 <sup>(1)</sup>	43.82 <sup>(2)</sup>	68,689,570 <sup>(3)</sup>

<sup>(1)</sup> Includes shares reserved to be issued pursuant to RSUs, 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.

<sup>(2)</sup> 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.

<sup>(3)</sup> 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, 2021.

## 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, 2021.

## ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

Our independent registered public accounting firm is KPMG LLP, Houston, TX, Auditor Firm ID: 185.

The information about our principle accountant, KPMG LLP, Houston, Texas (185) 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, 2021.

### 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 Registered under Section 12 of the Exchange Act (filed as Exhibit 4.1 to the Annual Report on Form 10-K of Occidental for the fiscal year ended December 31, 2020, File No. 1-9210).
- 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).
- 4.4 First Supplemental Indenture to that certain Indenture, dated as of August 8, 2019, by and between Occidental Petroleum Corporation and The Bank of New York Mellon Trust Company, N.A. (filed as Exhibit 4.7 to the Current Report on Form 8-K of Occidental filed on July 13, 2020, File No. 1-9210).
- 4.5 Second Supplemental Indenture to that certain Indenture, dated as of August 8, 2019, by and between Occidental Petroleum Corporation and The Bank of New York Mellon Trust Company, N.A. (filed as Exhibit 4.6 to the Current Report on Form 8-K of Occidental filed on December 22, 2020, File No. 1-9210).
- 4.6 Third Supplemental Indenture to that certain Indenture, dated as of August 8, 2019, by and between Occidental Petroleum Corporation and The Bank of New York Mellon Trust Company, N.A. (filed as Exhibit 4.2 to the Current Report on Form 8-K of Occidental filed on July 15, 2021, 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 10.24 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, 2022).
- 10.2 Occidental Petroleum Corporation 2015 Long-Term Incentive Plan Form of Notice of Grant of Restricted Stock Unit Incentive Award.
- 10.3 Occidental Petroleum Corporation Modified Deferred Compensation Plan (Effective December 31, 2006 and Amended and Restated Effective January 1, 2021) (filed as Exhibit 10.2 to the Annual Report on Form 10-K of Occidental for the fiscal year ended December 31, 2020, File No. 1-9210).
- 10.4 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).
- 10.5 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).
- 10.6 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).
- 10.7 Form of Indemnification Agreement between Occidental and each of its directors and certain executive officers (filed as Exhibit 10.9 to the Annual Report on Form 10-K of Occidental for the fiscal year ended December 31, 2020, File No. 1-9210).
- 10.8 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).
- 10.9 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).
- 10.10 Description of group excess liability insurance program (filed as Exhibit 10.16 to the Annual Report on Form 10-K of Occidental for the fiscal year ended December 31, 2020, File No. 1-9210).
- 10.11 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).
- 10.12 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).
- 10.13 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).
- 10.14 Anadarko Retirement Restoration Plan (As Amended and Restated Effective as of December 31, 2021).
- 10.15 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).
- 10.16 Form of Occidental Petroleum Corporation 2015 Long-Term Incentive Plan Cash Return on Capital Employed Incentive Award (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).
- 10.17 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).
- 10.18 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).
- 10.19 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).
- 10.20 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).
- 10.21 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).
- 10.22 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).
- 10.23 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).
- 10.24 Form of Occidental Petroleum Corporation 2015 Long-Term Incentive Plan Total Shareholder Return Incentive Award (applicable to annual grants made in 2021) (filed as Exhibit 10.1 to the Quarterly Report on Form 10-Q of Occidental for the quarterly period ended March 31, 2021, File No. 1-9210).

- 10.25 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).
- 10.26 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).
- 10.27 Second Amended and Restated Credit Agreement, dated as of December 10, 2021, by and among Occidental Petroleum Corporation, the banks party thereto, as lenders, 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 December 13, 2021, File No. 1-9210).
- 21 List of subsidiaries of Occidental as of December 31, 2021.
- 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 Leasehold and Royalty Interests and Certain Economic Interests Derived Through Production Sharing Contracts as of December 31, 2021.
- 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, 2021 is formatted in Inline XBRL (included as Exhibit 101).

## ITEM 16. FORM 10-K SUMMARY

None.



# **Occidental Petroleum Corporation Savings Plan**

Amended and Restated  
Effective as of January 1, 2022

## **Article 1. Introduction 1**

- 1.1 Restatement of Plan 1
- 1.2 Purpose and Applicability of the Plan 1
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## **Article 1. Introduction**

### **1.1 Restatement of Plan**

Effective as of January 1, 2022, 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, 2022, 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, 2022, 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, 2022, 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, 2022. 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, 2022.

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 2<sup>1</sup>/<sub>2</sub> 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.

(bb) **“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.



(cc) **“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.

(dd) **“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.

(ee) **“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.

(ff) **“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.

(gg) **“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.

(hh) **“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.

(ii) **“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.

(jj) **“Fiduciary Appointment Officer”** means the Vice President of Human Resources of the Company (or the successor to such position) or his or her designee.



(kk) **“Former Participant”** means an Active Participant or Inactive Participant who has had a Separation from Service, but whose Account has not been fully distributed.

(ll) **“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 17<sup>1</sup>/<sub>2</sub> 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.

(mm) **“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).

(nn) **“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.

(oo) **“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.

(pp) **“Investment Committee”** means the committee whose members are appointed by the Fiduciary Appointment Officer to administer the investments of the Plan.



(qq) **“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).

(rr) **“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:

(I) Is not covered under a Qualified Plan as an Employee at any time during the Plan Year; or

(II) 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.

(ss) “**Nonhighly Compensated Employee**” means an Employee who is not a Highly Compensated Employee.

(tt) “**Nonrepresented Employees**” means any Employee who is not a Represented Employee.

(uu) “**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.

(vv) “**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.

(ww) “**MidCon Corp. ESOP**” means the MidCon Corp. Employee Stock Ownership Plan as effective November 20, 1996.

(xx) “**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).

- (yy) **“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.
- (zz) **“Participant”** means an Active Participant, Inactive Participant, or a Former Participant, as applicable.
- (aaa) **“Plan Administrator”** for purposes of ERISA and the Code means the Administrative Committee.
- (bbb) **“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.
- (ccc) **“Plan Year”** means the calendar year.
- (ddd) **“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.
- (eee) **“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.
- (fff) **“Pre-Tax Spending Program”** means the Occidental Petroleum Corporation Flexible Spending Accounts Plan.
- (ggg) **“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.
- (hhh) **“Qualified Plan”** means a plan, other than this Plan, which is qualified under Code section 401(a).
- (iii) **“Represented Employee”** means any Employee, whose employment is subject to a collective bargaining agreement.
- (jjj) **“Retirement Plan”** means the Occidental Petroleum Corporation Retirement Plan.
- (kkk) **“Rollover Account”** means the recordkeeping account which evidences the value of Rollover Contributions, including related investment gains and losses of the Trust Fund.
- (lll) **“Rollover Contributions”** means the eligible pre-tax contributions made at the direction of the Employee pursuant to Plan section 10.12.
- (mmm) **“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.
- (nnn) **“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.

- (ooo) **“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.
- (ppp) **“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.
- (qqq) **“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).

- (rrr) **“Service”** means the periods of employment credited using the elapsed time method described to an Employee under Plan section 3.4.
- (sss) **“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 2<sup>1</sup>/<sub>2</sub> 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 2<sup>1</sup>/<sub>2</sub> 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.

(tt) **“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.

(uuu) **“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.

- (vvv) **“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.
- (www) **“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).
- (xxx) **“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).
- (yyy) **“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).
- (zzz) **“Treasury Regulations”** means the regulations promulgated by the United States Department of the Treasury under the Code.
- (aaaa) **“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.
- (bbbb) **“Trust Fund”** means the assets of every kind and description held under any Trust Agreement forming a part of the Plan.
- (cccc) **“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.
- (dddd) **“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:

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Years of Service	Percentage Vested
Less than 1	0%
1	20%
2	40%
3	100%

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- (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 Employee 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(1)(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 59<sup>1</sup>/<sub>2</sub> 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 59<sup>1</sup>/<sub>2</sub>; 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 59<sup>1</sup>/<sub>2</sub>;
  - (2) Roth Rollover Account; or
  - (3) In-Plan Roth Rollover Account, but only if the Participant has attained age 59<sup>1</sup>/<sub>2</sub>.
- (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 59 ½ 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 59 ½ 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 60<sup>th</sup> 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 65<sup>th</sup> 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 70 ½. 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 70 ½ 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:

(i) 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.

(ii) 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:



- (i) December 31 of the calendar year immediately following the calendar year in which the Participant died; or
  - (ii) December 31 of the calendar year in which the Participant would have attained age 70 ½, 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:
- (i) The April 1 of the calendar year following the calendar year in 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, and
  - (ii) 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 is 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 and After-Tax 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) An annuity 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) An individual retirement account described in Code section 408(a) consisting of amounts eligible as Rollover Contributions.
  - (2) In the case of a Rollover Contribution or Roth Rollover Contribution by the Participant, as opposed to a direct rollover, the contribution must meet the requirements established by the Administrative Committee and the requirements of Code section 402(c)(3); provided that any Roth amounts must be received as a direct rollover from another designated Roth account in a Qualified Plan.
  - (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:

- (i) 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
- (ii) 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:

(i) 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

(ii) 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.

### 14.3 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 redeposited 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 18 day of December, 2021.

**Occidental Petroleum Corporation**

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Mark Grommesh,  
Vice President, Joint Ventures  
Occidental Petroleum Corporation

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

**NOTICE OF GRANT  
OF RESTRICTED STOCK UNIT INCENTIVE AWARD  
(Time-based Vesting; Equity-settled Award; Section 16 Officers)**

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

*Date of Grant:*

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

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

*Number of Shares:*

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

*Time-Vesting Schedule and Forfeiture:*

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

Vesting Date

Fraction of Restricted Stock Units Vesting

1/3

1/3

1/3

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

Termination of Employment; Change in Control. Notwithstanding the foregoing, if, prior to any Vesting Date, the Grantee (i) dies, (ii) becomes permanently disabled while in the employ of the Company and the Company terminates the Grantee's employment as a result thereof, (iii) Retires (as defined below), (iv) is terminated by the Company without Cause or (v) resigns for Good Reason within 12 months following the date of a Change in Control (each of the foregoing, a "**Forfeiture Event**"), then a number of the then-unvested Restricted Stock Units equal to the Pro Rata Unvested RSUs shall immediately vest and become nonforfeitable on the date of the Forfeiture Event, and all other Restricted Stock Units granted hereunder that have not previously vested shall be immediately forfeited. The "**Pro Rata Unvested RSUs**" shall be obtained by (A) multiplying the total number of Restricted Stock Units granted hereunder by a fraction, the numerator of which is the number of days between the Vesting Start Date and the Forfeiture Event and the denominator of which is the number of days between the Vesting Start Date and the final Vesting Date, and (B) subtracting from the product the number of Restricted Stock Units that previously vested, if any. If the Grantee terminates employment voluntarily (other than due to resignation for Good Reason within 12 months following the date of a Change in Control or due to Retirement) or is terminated for Cause before any Vesting Date, then the Award will terminate automatically on the date of such termination and the Grantee shall immediately forfeit all unvested Restricted Stock Units. "**Retires**" or "**Retirement**" means the Grantee's voluntary resignation from employment with the Company under circumstances which the Committee, in its sole discretion, determines at the time of such resignation to constitute "Retirement" for purposes of this Award. For the avoidance of doubt, the Committee's determination of whether "Retirement" has occurred shall be made on an individual Award basis, and "Retirement" treatment for any one Award shall not require that all Awards held by the Grantee will receive "Retirement" treatment.

Prior to the occurrence of the Change in Control, the Committee may determine in its sole discretion that a resignation by the Grantee for Good Reason within 12 months following the date of a Change in Control will not accelerate vesting of Pro Rata Unvested RSUs pursuant to the Company's Golden Parachute Policy or otherwise, and shall instead result in forfeiture of all then-unvested Restricted Stock Units upon such resignation. Any such determination by the Committee is binding on the Grantee.

*Payment of Award:*

Payment for vested Restricted Stock Units will be made solely in shares of Stock, which will be issued to the Grantee as promptly as practicable (but no more than 30 days) after the Vesting Date or Forfeiture Event, as applicable (the "**Payment Trigger Date**"), and in any event no later than the 15th day of the third month following the end of the first taxable year in which the Restricted Stock Units are no longer subject to a substantial risk of forfeiture.

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

*Dividends, Voting and Other Rights:*

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

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

*Holding Period:*

The shares of Stock ultimately received by the Grantee in connection with the vesting of Restricted Stock Units on \_\_\_\_\_ must be held by the Grantee until \_\_\_\_\_. The shares of Stock ultimately received by the Grantee in connection with the vesting of Restricted Stock Units on \_\_\_\_\_ must be held by the Grantee until \_\_\_\_\_. The shares of Stock ultimately received by the Grantee in connection with the vesting of Restricted Stock Units on \_\_\_\_\_ must be held by the Grantee until \_\_\_\_\_. For purposes of the foregoing, shares of stock "ultimately received" shall mean any shares delivered to the Grantee pursuant to the Award, less any shares surrendered to cover the Grantee's tax obligations.

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

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

## ATTACHMENT 1

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

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

**1. Acceptance of Award.** If the Grantee fails to accept the Award on or before the 45<sup>th</sup> day following the Date of Grant, then, notwithstanding any other provision of the Award Agreement, the Grantee shall forfeit all rights under the Award (including all shares of Occidental common stock, \$0.20 par value (“**Stock**”), and any dividend equivalents with respect thereto) and the Award will become null and void. For purposes of the Award Agreement, acceptance of the Award shall occur on the date the Grantee accepts the Award through Morgan Stanley StockPlan Connect or any replacement online system designated by the Company.

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

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

**4. Taxes and Withholding.**

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

(b) Prior to the relevant taxable event, the Grantee shall pay or make adequate arrangements satisfactory to the Company to satisfy all Tax-Related Items. In this regard, the Grantee authorizes the Company to withhold all applicable Tax-Related Items legally payable by the Grantee in connection with the grant, vesting or settlement of the Award and/or the issuance of any shares of Stock or the payment of any cash or other consideration pursuant to the Award in accordance with the Notice of Grant, from any cash and shares of Stock that are to be paid or issued to the Grantee pursuant to the Award (including any dividends or Dividend Equivalents), in any combination as determined by the Committee, and, if not sufficient, from the Grantee’s wages or

other cash compensation. The Grantee shall pay to the Company any amount of Tax-Related Items that the Company may be required to withhold as a result of the Grantee's receipt of the Award that cannot be satisfied by the means previously described.

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

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

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

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

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

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

**11. Severability.** If one or more of the provisions of the Award Agreement is invalidated for any reason by a court of competent jurisdiction, the invalidated provisions shall be deemed to be

separable from the other provisions of the Award Agreement, and the remaining provisions of the Award Agreement will continue to be valid and fully enforceable.

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

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

**14. Beneficiaries.**

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

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

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

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

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

**16. Privacy Rights.** By accepting the Award, the Grantee explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of the Grantee's personal data as described in the Award Agreement by and among, as applicable, the Company and its Affiliates for the exclusive purpose of implementing, administering and managing the Grantee's participation in the Plan. The Grantee understands that the Company holds, or may receive from any agent designated by the Company, certain personal information about the Grantee, including, but not limited to, the Grantee's name, home address, telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any shares of Stock held by the Grantee, directorships held in the Company, details of the Award or any other entitlement to cash or shares of Stock awarded, canceled, exercised, vested, unvested or outstanding in the Grantee's favor, for the purpose of implementing, administering and managing the Plan, including complying

with applicable tax and securities laws ("**Data**"). Data may be transferred to any third parties assisting in the implementation, administration and management of the Plan. These recipients may be located in the Grantee's country or elsewhere, and may have different data privacy laws and protections than the Grantee's country. By accepting the Award, the Grantee authorizes the recipients to receive, possess, use, retain and transfer the Data, in electronic or other form, for the purposes described above. The Grantee may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting the Committee in writing. Refusing or withdrawing consent may affect the Grantee's ability to participate in the Plan.

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

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

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

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

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

**20. Compliance with Section 409A of the Code.** Unless specified otherwise in the Notice of Grant, the Award is intended to be exempt from the Nonqualified Deferred Compensation Rules. Notwithstanding the foregoing, to the extent that it is determined that the Plan or the Award is subject to the Nonqualified Deferred Compensation Rules, the Award Agreement shall be interpreted and administered in such a way as to comply with the applicable provisions of the Nonqualified Deferred Compensation Rules to the maximum extent possible. In addition, if the Award is subject to the Nonqualified Deferred Compensation Rules, then (i) the settlement of the Award or some portion of the Award may be delayed in accordance with the applicable terms of Section 9(n) of the Plan; (ii) any payment on a Change in Control event will be made only if the Change in Control also qualifies as a change of control event within the meaning of the Nonqualified Deferred Compensation Rules; and (iii) any determination by the Committee not to accelerate the Award on a Change in Control shall be made only to the extent such determination is consistent with the Nonqualified Deferred

Compensation Rules. To the extent that the Board determines that the Plan or the Award is subject to the Nonqualified Deferred Compensation Rules and fails to comply with the requirements of the Nonqualified Deferred Compensation Rules, the Board reserves the right (without any obligation to do so) to amend or terminate the Plan and/or amend, restructure, terminate or replace the Award in order to cause the Award to either not be subject to the Nonqualified Deferred Compensation Rules or to comply with the applicable provisions of such rule.

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

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

(a) **Exceptions.** The arbitration obligation does not apply to claims for worker's compensation, state disability insurance and unemployment insurance benefits; however, it does apply to retaliation claims based upon seeking such benefits. It does not apply to claims for employee benefits under any benefit plan covered by the Employee Retirement Income Security Act of 1974 or funded by insurance unless the claim can otherwise be brought in a court of law (after the exhaustion of an administrative or alternative remedies otherwise applicable to the claim). It does not apply to any claim that an applicable federal statute or applicable federal Executive Order expressly states cannot be arbitrated or subject to a pre-dispute arbitration agreement. Nothing in the Award Agreement prevents the making of a report to or filing a claim or charge with a government agency, including the Equal Employment Opportunity Commission, U.S. Department of Labor, Securities and Exchange Commission, Occupational Health and Safety Administration, or National Labor Relations Board. Nothing in the Award Agreement prevents the investigation by a government agency of any report, claim or charge otherwise covered by the Award Agreement. And, nothing in this agreement to arbitrate prevents or excuses a party from satisfying any conditions precedent and/or exhausting administrative remedies under applicable law before bringing a claim in arbitration.

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

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

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

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

(f) **Enforcement and Severability.** This arbitration agreement survives after the employment relationship terminates. Subject to the Class Action Waiver in Section 22(c) above, if any portion of this arbitration agreement is deemed unenforceable, the unenforceable provision or language shall be severed from the Award Agreement and the remainder will be enforceable.

**23. Status of Stock.** Occidental intends to register for issuance under the Securities Act of 1933, as amended (the "**Act**"), the shares of Stock acquirable upon settlement of the Award. In the absence of such effective registration or an available exemption from registration under the Act, issuance of shares of Stock acquirable upon settlement of the Award will be delayed until registration of such shares is effective or an exemption from registration under the Act is available. Occidental intends to use its reasonable efforts to ensure that no such delay will occur. In the event exemption from registration under the Act is available upon settlement of the Award, the Grantee, if requested by the Company to do so, will execute and deliver to the Company in writing an agreement containing such provisions as the Company may require to assure compliance with applicable securities laws.

The Grantee agrees that the shares of Stock which the Grantee may acquire in settlement of the Award will not be sold or otherwise disposed of in any manner which would constitute a violation of any applicable U.S. Federal, state or local securities or exchange laws or non-U.S. securities or exchange laws. The Grantee also agrees that (i) any certificates representing the shares of Stock to be delivered in settlement of the Award may bear such legend or legends as the Committee deems appropriate in order to assure compliance with applicable securities laws, (ii) Occidental may refuse to register the transfer of the shares of Stock to be delivered in settlement of the Award on the stock transfer records of Occidental if such proposed transfer would, in the opinion of counsel satisfactory to Occidental, constitute a violation of any applicable securities law and (iii) Occidental may give related instructions to its transfer agent, if any, to stop registration of the transfer of the shares of Stock to be delivered in settlement of the Award.

**24. Notices.** Any notices or other communications provided for in these Terms and Conditions shall be sufficient if in writing. In the case of the Grantee, such notices or communications shall be effectively delivered if hand delivered to the Grantee at the Grantee's principal place of employment or if sent by certified mail, return receipt requested, to the Grantee at the last address the Grantee has filed with the Company. In the case of the Company, such notices or communications shall be effectively delivered if sent by certified mail, return receipt requested, to Occidental at its principal executive offices.

**25. Binding Effect.** These Terms and Conditions shall be binding upon and inure to the benefit of any successors to the Company and all persons lawfully claiming under the Grantee.

**26. Construction.** Headings are given to the Sections and subsections of the Award Agreement solely as a convenience to facilitate reference. Such headings shall not be deemed in any way material or relevant to the construction or interpretation of the Award Agreement or any provision thereof. Further, under the Award Agreement, (a) pronouns and other words of gender shall be read as gender-neutral, (b) words importing the singular only shall include the plural and vice versa and (c) the words "include", "includes" or "including" shall be deemed to be followed by the words "without limitation". The Award Agreement may be signed in counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

## ATTACHMENT 2

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

The following General Terms of Employment are set forth as of the "Date of Grant" specified in the Notice of Grant to which this Attachment 2 is attached (the "**Notice of Grant**"), by and between Occidental Petroleum Corporation ("**Occidental**") and the eligible individual (the "**Grantee**") receiving the award described in the Notice of Grant (the "**Award**"). These General Terms of Employment, the Notice of Grant (along with all incorporated attachments and exhibits) and the Award evidenced thereby are collectively referred to herein as the "**Award Agreement**".

For and in consideration of the premises and the mutual covenants of the parties contained herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Grantee hereby agrees as follows, in each case to the fullest extent permitted by law and subject to the limitations provided for in Sections F and G:

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

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

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

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

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

Works. This assignment covers all rights of every kind and character, including all rights necessary to provide Company with all of the benefits of exclusive ownership and control over the Proprietary Works to the fullest extent allowed by law throughout the world, including the right to sue, counterclaim and recover for all past, present and future infringement, misappropriation or dilution thereof.

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

G. The Grantee understands that the purpose of this statement of General Terms of Employment is to reinforce the protection of the trade secrets, Confidential Information and other intellectual property interests of the Company and Company Group, and not to prohibit any conduct by the Grantee that is compelled by law or protected by law. The Grantee recognizes that nothing in these General Terms of Employment prohibits the Grantee from reporting an event that the Grantee reasonably and in good faith believe is a violation of law to the relevant law-enforcement agency (such as the Securities and Exchange Commission ("**SEC**")), and that no prior approval from or notice to the Company is required before doing so. In addition, nothing in these General Terms of Employment shall be construed to prohibit the Grantee from cooperating in an investigation conducted by a duly authorized government agency, and in the course of such conduct disclosing trade secrets or Confidential Information in a manner that complies with the DTSA (described in the Company's Speak-Up and Non-Retaliation Policy). Without limiting the foregoing, the Grantee acknowledges and understands that nothing in or about the Award Agreement prohibits the Grantee from: (i) filing and, as provided for under Section 21F of the Exchange Act, maintaining the confidentiality of a claim with the SEC; (ii) providing confidential information to the SEC, or providing the SEC with information that would otherwise violate this Attachment 2, to the extent permitted by Section 21F of the Exchange Act; (iii) cooperating, participating or assisting in an SEC investigation or proceeding without notifying Occidental or (iv) receiving a monetary award as set forth in Section 21F of the Exchange Act.

H. The foregoing General Terms of Employment are not intended to be an exclusive list of the employment terms and conditions that apply to the Grantee. The Company, in its sole discretion, may at any time amend or supplement the foregoing terms. The Grantee's breach of the foregoing General Terms of Employment will entitle the Company to take appropriate disciplinary action, including reduction or forfeiture of the Award granted pursuant to the Award Agreement and termination of employment.

**ANADARKO RETIREMENT RESTORATION PLAN**  
(As Amended and Restated Effective as of December 31, 2021)

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**ANADARKO RETIREMENT RESTORATION PLAN**  
**(As Amended and Restated Effective as of December 31, 2021)**

Article I

PURPOSES OF THE PLAN

The purposes of the Plan are (i) to recognize the value to the Company of the past and present services of the Eligible Employees and (ii) to encourage their continued employment service by providing benefits for their future retirement security. The Plan was created because of certain Limitations which are imposed on the Retirement Plan by the Code.

The Plan was originally effective as of January 1, 1995, amended effective as of July 31, 2003, and amended and restated generally effective as of November 7, 2007, and again effective as of January 1, 2017, as of August 8, 2019, and as of December 31, 2019. The Plan was most recently amended and restated generally effective as of July 1, 2020. The Plan as set forth herein constitutes an amendment and restatement of the Plan as in effect immediately prior to the Effective Date in order to modify certain provisions of the Plan related to Plan administration. This amendment and restatement of the Plan shall be effective as of the Effective Date.

Notwithstanding any other provision of the Plan to the contrary, benefit accrual under the “Retirement Plan” (as defined below) was frozen effective June 30, 2020. The administration of the benefit of each Participant in this Plan shall therefore fully reflect the effect of such freeze in the Retirement Plan, such that no Participant compensation paid or service performed after June 30, 2020 shall be recognized in the determination of any benefit due under this Plan.

With respect to Participants other than Limited 415 Participants, the Plan is intended as an unfunded plan to be maintained primarily for the purpose of providing deferred compensation for a “select group of management or highly compensated employees” within the meaning of such phrase for purposes of Sections 201(2), 301(a)(3) and 401(a)(1) of the Act, and as such it is intended that the Plan be exempt from the participation and vesting, funding, and fiduciary responsibility requirements of Title I of the Act. The Plan is also intended to qualify for simplified reporting under U.S. Department of Labor Regulation Section 2530.104-23, which provides for an alternative method of compliance for plans described in such regulation. With respect to Limited 415 Participants, the portion of the Plan that provides benefits to such Limited 415 Participants solely due to limitations applicable to the Retirement Plan by reason of Code Section 415 is intended to be treated as a separate plan that is an “excess benefit plan” within the meaning of such phrase for purposes of Sections 3(36) and 4(b)(5) of the Act. Moreover, the Plan is intended to comply with the requirements of Code Section 409A for nonqualified deferred compensation plans to the extent applicable. The Plan is not intended to satisfy the tax qualification requirements of Code Section 401(a).

## Article II

### DEFINITIONS

2.01 Definitions. Where the following words and phrases appear in this Plan they shall have the respective meanings set forth below, unless their context clearly indicates to the contrary.

(a) Act. The Employee Retirement Income Security Act of 1974, as amended and the regulations and other authority issued thereunder by the appropriate governmental authority.

(b) Actuarial Equivalent. The equivalence of a benefit, as determined by an actuary appointed by the Committee (“Actuary”), in terms of another benefit utilizing such assumptions as in the aggregate represent the Actuary’s best estimate of equivalent value for the purpose for which the determination is being made.

(c) Affiliated Entity. An entity which is affiliated by common ownership or control with the Company.

(d) Beneficiary. Means the beneficiary or beneficiaries designated by the Participant, in accordance with Section 10.03, to receive any amounts distributable under the Plan upon his death.

(e) Code. The Internal Revenue Code of 1986, as amended and the regulations and other authority related thereto.

(f) Committee. “Committee” means the committee appointed by the Board to administer the Plan; provided, however, that if the Board has not appointed a committee, then each reference herein to the “Committee” shall instead refer to the Board.

(g) Company. Anadarko Petroleum Corporation or its successor in interest.

(h) Directors. The Board of Directors of the Company.

(i) Effective Date. December 31, 2021, as to this amendment and restatement of the Plan.

(j) Eligible Employee. An Employee who participates in the Retirement Plan and whose benefits are reduced by Limitations or whose taxable compensation has been reduced as a result of an election by the Employee to defer compensation pursuant to a deferred compensation plan maintained by an Employer.

(k) Employee. An Employee as defined in the Retirement Plan.

(l) Employer. The Company or an Affiliated Entity which has been designated by the Company as a participating employer in the Plan and has adopted the Plan.

(m) Employment. Means that the individual is in employment as an Employee. In this regard, neither the transfer of a Participant from employment by an Employer to employment by an Affiliated Entity nor the transfer of a Participant from employment by an Affiliated Entity to employment by an Employer shall be deemed to be a Separation from Service by the Participant.

(n) Limitations. The aggregate of the limitations imposed under Code Sections 401(a)(17) and 415 plus any amounts deferred as the result of an election by an Employee to defer compensation pursuant to a deferred compensation plan maintained by an Employer. From and after the Effective Date, the term "Limitations" shall also include any amendment to the Retirement Plan that is adopted on or after the Effective Date and that is expressly identified in connection with its adoption as an amendment that is intended to reduce or limit accruals under the Retirement Plan with respect to an Employee who is a "highly compensated employee" (as defined in Code Section 414(q)) due to the application of the Nondiscrimination Rules. Notwithstanding the preceding provisions of this Section 2.01(n), with respect to a Limited 415 Participant, for all purposes of the Plan the term "Limitations" shall mean solely the limitation imposed by Code Section 415 on the amount of benefits which may be earned or paid under the Retirement Plan.

(o) Limited 415 Participant. Any Employee whose benefit under the Retirement Plan is limited by the limitation imposed by Code Section 415 and who has not otherwise been designated as a Participant in the Plan by the Committee pursuant to the provisions of Article IV hereof.

(p) Nondiscrimination Rules. The nondiscrimination rules set forth in Code Section 401(a)(4), Code Section 410(b) or other provisions of the Code that are applicable to the Retirement Plan and that are intended to prevent discrimination in favor of "highly compensated employees" (as defined in Code Section 414(q)).

(q) Participant. Any Eligible Employee who has been designated by the Committee to participate in the Plan or any other individual who has an accrued benefit under the Plan which has not been fully distributed. The term "Participant" shall include a Limited 415 Participant except where expressly provided otherwise in the Plan.

(r) Plan. The Anadarko Retirement Restoration Plan, as it may be amended from time to time.

(s) Plan Year. The twelve consecutive month period commencing on January 1 of each year.

(t) Retirement Plan. The Anadarko Retirement Plan, as amended from time to time; provided, however, that for plan years beginning after December 31, 2019, the "Retirement Plan" means the Anadarko Retirement Plan and the Occidental Oil and Gas Consolidated Retirement Plan (Part E), as applicable to the Participant. Notwithstanding the above, effective as of March 31, 2021, "Retirement Plan" means the Occidental Oil and Gas Consolidated Retirement Plan (Part E) and the Oxy Consolidated Hourly Pension Plan (Part K), as applicable to the Participant.

(u) Section 16 Officer. An Eligible Employee who is subject to Section 16 of the Securities and Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

(v) Separation from Service. The Participant's separation from service with the Employer and all Affiliated Entities, within the meaning of Code Section 409A.

(w) Specified Employee. Any Participant who is a "Specified Employee" (as defined in Code Section 409A) upon his Separation from Service, as determined by the Company or the Committee.

### Article III

#### ADMINISTRATION

3.01 Administration by Committee. The Committee shall be the plan administrator with respect to the Plan, except that for all matters (including, without limitation, interpretation of the Plan) directly relating to participation, claims or benefits associated with individuals who are then Section 16 Officers, the Committee shall be the Executive Compensation Committee of the Board of Directors of Occidental Petroleum Corporation.

The members of the Committee shall not receive any special compensation for serving in their capacities as members, but shall be reimbursed by the Company for any reasonable expenses incurred in connection therewith. No bond or other security need be required of the Committee or any member thereof.

3.02 Administration of Plan. The Committee shall operate, administer, interpret, construe and construct the Plan, including correcting any defect, supplying any omission or reconciling any inconsistency. The Committee shall have all powers necessary or appropriate to implement and administer the terms and provisions of the Plan, including the power to make findings of fact. The determination of the Committee as to the proper interpretation, construction, or application of any term or provision of the Plan shall be final, binding, and conclusive with respect to all Participants and other interested persons.

3.03 Action by Committee. A majority of the members of the Committee shall constitute a quorum for the transaction of business, and the vote of a majority of those members present at any meeting at which a quorum is present shall decide any question brought before the meeting and shall be the act of the Committee. In addition, the Committee may take any other action otherwise proper under the Plan by an affirmative vote, taken without a meeting, of a majority of its members.

3.04 Delegation. The Committee may, in its discretion, delegate one or more of its duties to its designated agents or to an Employee, but it may not delegate its authority to make the determinations specified in Section 3.02.

3.05 Reliance Upon Information. No member of the Committee shall be liable for any decision, action, omission, or mistake in judgment, provided that he acted in good faith in connection with the administration of the Plan. Without limiting the generality of the foregoing, any decision or action taken by the Committee (or member thereof) in reasonable reliance upon any information supplied to it by the Directors, any Employee, the Employer's legal counsel, the Employer's independent accountants or the Actuary, shall be deemed to have been taken in good faith.

The Committee (or an individual member thereof) may consult with legal counsel, who may be counsel for the Employer or other counsel, with respect to its obligations or duties hereunder, or with respect to any action, proceeding or question at law, and shall not be liable with respect to any action taken or omitted, in good faith, pursuant to the advice of such counsel.

3.06 Indemnity of Plan Administration Employee. To the full extent permitted by law, the Company shall defend, indemnify and hold harmless each past, present and future member of the Committee and each other Employee who acts in the capacity of an agent, delegate or representative of the Committee under the Plan (hereafter, all such indemnified persons shall be jointly and severally referred to as "Plan Administration Employee") against, and each Plan Administration Employee shall be entitled without further act on his part to indemnity from the Company for, any and all losses, claims, damages, judgments, settlements, liabilities, expenses and costs (and all actions in respect thereof and any legal or other costs and expenses in giving testimony or furnishing documents in response to a subpoena or otherwise), including the cost of investigating, preparing or defending any pending, threatened or anticipated action, claim, suit or other proceeding, whether or not in connection with litigation in which the Plan Administration Employee is a party (collectively, the "Losses"), as and when incurred, directly or indirectly, relating to, based upon, arising out of, or resulting from his being or having been a Plan Administration Employee; provided, however, that such indemnity shall not include any Losses incurred by such Plan Administration Employee with respect to any matters as to which he is finally adjudged in any such action, suit or proceeding to have been guilty of gross negligence or intentional misconduct in the performance of his duties as a Plan Administration Employee. The foregoing right of indemnification shall be in addition to any liability or obligation that any Employer may otherwise have to the Plan Administration Employee, and shall be in addition to all other rights to which the Plan Administration Employee may be entitled as a matter of law, contract, or otherwise.

The Plan Administration Employee shall have the right to retain counsel of its own choice to represent him, provided that such counsel is acceptable to the Employer (which acceptance shall not be unreasonably withheld). The Company shall pay the fees and expenses of such counsel, and such counsel shall to the full extent consistent with its professional responsibilities cooperate with the Employer and its counsel. The rights of indemnification under this Section 3.06 shall inure to the benefit of the successors and assigns, and the heirs, executors, administrators and personal representatives of each Plan Administration Employee, shall be in addition to any liability or obligation that any Employer may otherwise have to the Plan Administration Employee and shall be in addition to all other rights to which the Plan Administration Employee may be entitled as a matter of law, contract, or otherwise.

## Article IV

### ELIGIBILITY

Each Employee who was a Participant in the Plan immediately prior to the Effective Date shall continue as a Participant in the Plan as of the Effective Date.

Prior to participation being frozen effective June 30, 2020, before the start of a Plan Year, or at any other time and from time to time, the Committee, in its sole discretion, shall designate the Participants and the effective date and other terms and conditions of participation; provided, however, an Employee may be a Participant only if the Committee determines that such individual is “a member of a select group of management or highly compensated employees” of the Employer within the meaning of Sections 201(2), 301(a)(3) and 401(a)(1) of the Act. Notwithstanding the foregoing, any Employee whose benefit under the Retirement Plan is limited by the limitation imposed by Code Section 415 and who is not otherwise designated by the Committee as a Participant pursuant to the preceding sentence shall automatically participate in the Plan as a Limited 415 Participant.

Notwithstanding any provision in the Plan to the contrary, any individual who is not a Participant as of June 30, 2020, shall not become a Participant under this Plan following such date. Additionally, no individuals may reenter the Plan for any reason after June 30, 2020.

## Article V

### AMOUNT OF BENEFIT

5.01 General Benefits. The benefits payable under this Plan to a Participant (or Beneficiary thereof) shall be paid at the time and in the manner described in Article VI based upon an amount equal to the Actuarial Equivalent of the excess, if any of (a) over (b), where:

- (a) is the benefit that would have been payable to such Participant or Beneficiary under the Retirement Plan if the provisions of the Retirement Plan were administered without regard to the Limitations; and
- (b) is the benefit, if any, that is in fact payable to such Participant or Beneficiary under the Retirement Plan.

Benefits determined under this Section 5.01 shall be computed by the Actuary in accordance with the foregoing and with the objective that such recipient should receive under the Plan and the Retirement Plan that total aggregate amount which would have been payable to that recipient solely under the Retirement Plan but without regard to imposition of the Limitations. The benefits provided under this Plan shall be subject to the same vesting schedule that applies to the Participant under the Retirement Plan, and he shall thus vest hereunder on the same terms as provided in the Retirement Plan but subject to Schedule A.

5.02 Supplemental Benefits. In the case of a Participant (other than a Limited 415 Participant) who would have been entitled to supplemental benefits under the Retirement Plan but for the fact that his compensation for the calendar year ending December 31, 2002, exceeded the \$200,000 limit under the terms of the Retirement Plan, such Participant shall be entitled to a supplemental benefit under this Plan as determined in accordance with the formula described in this Section 5.02.

If the Employment of a Participant is terminated and (1) such termination is designated by the Employer, in its sole discretion, as being part of a “reduction in force program,” (2) the

Participant's designated termination date occurs on or after July 31, 2003, and on or before December 31, 2003, and (3) as of the designated termination date, the Participant had attained the age of 45, completed 5 or more years of Vesting Service (as defined in the Retirement Plan) and the sum of the Participant's age and Vesting Service equals or exceeds 60, such Participant will qualify for an early retirement benefit under the Retirement Plan commencing as of his Normal Retirement Date (as defined in the Retirement Plan) or as of the first day of the first month coinciding with or next following the date he attains the age of 55 or the first date of any subsequent month pursuant to the terms of the Retirement Plan, reduced as described under the Retirement Plan. Such Participant's Annuity Starting Date (as defined in the Retirement Plan) shall be as described under the Retirement Plan. A Participant who satisfied the conditions in clauses (1), (2), and (3) of the first sentence of this paragraph shall not be eligible for the supplemental benefit under the Retirement Plan if his compensation for the calendar year ending December 31, 2002, exceeded the \$200,000 limit under the terms of the Retirement Plan, and thus such Participant shall receive the Actuarial Equivalent of such supplemental benefits under this Plan in the manner, and at the time, as prescribed in Article VI.

5.03 Other Supplemental Benefits. Upon Separation from Service, the Company shall pay or cause to be paid to such Participant (or his Beneficiary) other supplemental benefits as determined by the Directors and contained in any other Employer-provided plan or program or in the Participant's employment contract or other agreement with the Employer; provided that such supplemental benefits for each Participant entitled to such other supplemental benefits are set forth on Schedule A attached and incorporated into this Plan for all purposes (which may be amended or supplemented from time to time), including the amount, type, and terms and conditions of such other supplemental benefits. Other supplemental benefits under this Section 5.03 shall be vested and nonforfeitable to the extent provided in the applicable Employer-paid plan or program, the Participant's employment contract or other agreement with the Employer, or as set forth on Schedule A to the Plan. Notwithstanding the foregoing, this Section 5.03 shall not be construed to provide duplicate other supplemental benefits under the Plan, or under any such applicable Employer-provided plan or program, or the Participant's employment contract or other agreement with the Employer, or as set forth on Schedule A to the Plan, to or on behalf of any Participant or Beneficiary.

5.04 Plan Freeze. The Retirement Plan was frozen effective June 30, 2020. The administration of the benefit of each Participant in this Plan shall therefore fully reflect the effect of such freeze in the Retirement Plan, such that no Participant compensation paid or service performed after June 30, 2020, shall be recognized in the determination of any benefit due under this Plan. For the avoidance of doubt, this Plan will reflect Interest Credits after June 30, 2020, with respect to a Participant's Personal Wealth Account under the Retirement Plan (if applicable).

## Article VI

### PAYMENT OF BENEFIT

6.01 Lump Sum Benefit. Subject to Sections 6.02 and 6.03, the form of the benefits payable under Article V shall be a cash lump sum payment that is made within ninety (90) days after the date of the Participant's Separation from Service.

6.02 Payment Under Retirement Plan Before 2009. If a Participant (a) incurs a Separation from Service after December 31, 2004, and (b) receives or commences receipt of any pension benefits payment under the Retirement Plan at any time before January 1, 2009, such Participant (or his Beneficiary) shall receive his benefits under this Plan in a cash lump sum payment that is made within ninety (90) days from the date that benefits are paid, or commence to be paid, under the terms of the Retirement Plan. If a Participant (a) incurs a Separation from

Service after December 31, 2004, and (b) does not receive or commence receipt of any pension benefits payment under the Retirement Plan at any time before January 1, 2009, such Participant (or his Beneficiary) shall receive his benefits under this Plan in a cash lump sum payment that is made within ninety (90) days after December 31, 2008. If a Participant incurs a Separation from Service before January 1, 2005, such Participant (or his Beneficiary) shall receive his benefits under this Plan in a cash lump sum payment within ninety (90) days from the date that benefits are paid, or commence to be paid, under the terms of the Retirement Plan, regardless of whether or not such benefits are paid, or commence to be paid, under the Retirement Plan before January 1, 2009.

6.03 Specified Employees. Notwithstanding anything in this Plan to the contrary, if the payment of any benefit under this Article VI would be subject to taxation under Code Section 409A because the timing of such payment is not delayed to the extent required under Code Section 409A for a Specified Employee upon his Separation from Service, then if the Participant is a Specified Employee, any such payment that the Participant would otherwise be entitled to receive during the first six (6) months following his Separation from Service shall be accumulated and paid, within ninety (90) days after the date that is six months following the date of his Separation from Service, or such earlier date upon which such amount can be paid or provided under Code Section 409A without being subject to such additional taxes and interest such as, for example, due to the death of Participant.

## Article VII

### PARTICIPANT'S RIGHTS AND NATURE OF PLAN

Benefits payable under the Plan shall be a general, unsecured obligation of the Company to be paid by the Company from its own general assets, and such payments shall not (a) impose any obligation upon the Retirement Plan; (b) be paid by the Retirement Plan; or (c) have any effect whatsoever upon the Retirement Plan or the payment of benefits under the Retirement Plan. No Participant or his Beneficiary shall have any title to or beneficial ownership in any assets which the Company may earmark to pay benefits hereunder.

No amounts in respect of such benefits are required to be set aside or held in trust, and no recipient of any benefits shall have any right to have the benefit paid out of any particular assets of the Company; provided, however, nothing herein shall be construed to prevent a transfer of funds to a grantor trust (pursuant to applicable Code provisions) for the purpose of paying any benefits under this Plan. Any grantor trust established by the Company for benefits under this Plan shall be subject to the claims of the Company's general and unsecured creditors in the event that the Company becomes insolvent. The Company intends that any such grantor trust shall constitute an unfunded arrangement and thus not affect, in any way, the status of this Plan as an unfunded plan that is maintained to provide deferred compensation for a select group of management or highly compensated employees for purposes of Title I of the Act.

## Article VIII

### AMENDMENT AND DISCONTINUANCE

The Directors may, in their absolute discretion, from time to time, amend, suspend or terminate in whole or in part, and if terminated, reinstate any or all of the provisions of this Plan, except that no amendment, suspension or termination may apply so as to reduce the payment to any Participant (or Beneficiary) of any benefit under this Plan that was earned and accrued prior to the effective date of such amendment, suspension or termination, unless the particular Participant (or Beneficiary) consents to such reduction in writing.

Notwithstanding the immediately preceding paragraph, the Plan may be amended by the Directors at any time if required to ensure that the Plan satisfies the requirements of the Code for nonqualified deferred compensation plans including Code Section 409A and (a) with respect to Limited 415 Participants, is characterized as an “excess benefit plan” as described in Sections 3(36) and 4(b)(5) of the Act and (b) with respect to Participants other than Limited 415 Participants, is characterized as a “top-hat plan” of deferred compensation maintained for a select group of management or highly compensated employees as described in Sections 201(2), 301(a)(3), and 401(a)(1) of the Act. No such amendment for this exclusive purpose shall be considered prejudicial to the interest of a Participant or a Beneficiary hereunder.

The Directors may delegate to an officer of the Company or Occidental Petroleum Corporation, the authority to execute an amendment to the Plan that has been approved by the Directors.

Upon termination of the Plan, distribution of benefits shall be made to Participants and Beneficiaries, as applicable, in the manner and at the time described in the Plan, unless one of the following termination events occurs, in which case, all such amounts shall be distributed in a lump sum upon termination, or upon the earliest date allowable under Code Section 409A: (1) the Company’s termination and liquidation of the Plan within twelve (12) months of a corporate dissolution taxed under Code Section 331, or with the approval of a bankruptcy court; (2) the Company’s termination and liquidation of the Plan pursuant to irrevocable action taken by the Company within the thirty (30) days preceding or twelve (12) months following a change in control event (within the meaning of Code Section 409A), provided that all agreements, methods, programs, and other arrangements sponsored by the Company that are aggregated under Code Section 409A are terminated and liquidated with respect to each Participant or Beneficiary who experiences the change in control event; or (3) the Company’s termination and liquidation of the Plan, provided that (a) the termination and liquidation does not occur proximate to a downturn in the financial health of the Company, (b) the Company terminates and liquidates all agreements, methods, programs, and other arrangements sponsored by the Company that would be aggregated under Code Section 409A if the same Participant had deferrals of compensation under all of the agreements, methods, programs, and other arrangements sponsored by the Company that are terminated and liquidated, (c) no payments in liquidation of the Plan are made within twelve (12) months of the date the Company takes all necessary action to irrevocably terminate and liquidate the Plan other than payments that would have been payable absent the termination and liquidation, (d) all payments are made within twenty-four (24) months of the date the Company takes all necessary action to irrevocably terminate and liquidate the Plan and (e) the Company does not adopt a new plan that would be aggregated with any terminated and liquidated plan under Code Section 409A if the same Participant participated in both plans, at any time within three (3) years following the date the Company takes all necessary action to irrevocably terminate and liquidate the Plan.

## Article IX

### CLAIMS PROCEDURE

9.01 Filing a Claim. A Participant or his authorized representative may file a claim for benefits under the Plan (hereafter, referred to as a “Claimant”). Any claim must be in writing and submitted to the Committee at such address as may be specified from time to time. Claimants will be notified in writing of approved claims, which will be processed as claimed. A claim is considered approved only if its approval is communicated in writing to the Claimant.

9.02 Denial of Claim. In the case of the denial of a claim respecting benefits paid or payable with respect to a Participant, a written notice will be furnished to the Claimant within 90 days of the date on which the claim is received by the Committee. If special circumstances (such as for a hearing) require a longer period, the Claimant will be notified in writing, prior to the expiration of the 90-day period, of the reasons for an extension of time; provided, however, that no extensions will be permitted beyond 90 days after the expiration of the initial 90-day period.

9.03 Reasons for Denial. A denial or partial denial of a claim will be dated and signed by the Committee and will clearly set forth:

- (a) the specific reason or reasons for the denial;
- (b) specific reference to pertinent 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 and an explanation of why such material or information is necessary; and
- (d) an explanation of the procedure for review of the denied or partially denied claim set forth below, including the claimant's right to bring a civil action under Section 502(a) of the Act following an adverse benefit determination on review.

9.04 Review of Denial. Upon denial of a claim, in whole or in part, the Claimant or his duly authorized representative will have the right to submit a written request to the Committee for a full and fair review of the denied claim by filing a written notice of appeal with the Committee within 60 days of the receipt by the Claimant of written notice of the denial of the claim. A Claimant or the Claimant's authorized representative will have, 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 may submit issues and comments in writing. The review will take into account all comments, documents, records, and other information submitted by the Claimant relating to the claim, without regard to whether such information was submitted or considered in the initial benefit determination.

If the Claimant fails to file a request for review within 60 days of the denial notification, the claim will be deemed abandoned and the Claimant precluded from reasserting it. If the Claimant does file a request for review, his request must include a description of the issues and evidence he deems relevant. Failure to raise issues or present evidence on review will preclude those issues or evidence from being presented in any subsequent proceeding or judicial review of the claim.

9.05 Decision Upon Review. The Committee will provide a prompt written decision on review to the Claimant. If the claim is denied on review, the decision shall set forth:

- (a) the specific reason or reasons for the adverse determination;
- (b) specific reference to pertinent Plan provisions on which the adverse determination is based;
- (c) 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

(d) a statement describing any voluntary appeal procedures offered by the Plan and the Claimant's right to obtain the information about such procedures, as well as a statement of the Claimant's right to bring an action under Section 502(a) of the Act.

A decision will be rendered no more than 60 days after the Committee's receipt of the request for review, except that such period may be extended for an additional 60 days if the Committee determines that special circumstances (such as for a hearing) require such extension. If an extension of time is required, written notice of the extension will be furnished to the Claimant before the end of the initial 60-day period.

To the extent of its responsibility to review the denial of benefit claims, the Committee will have full authority to interpret and apply in its discretion the provisions of the Plan. The decision of the Committee will be final and binding upon any and all Claimants, including, but not limited to, the Participant and any other individual making a claim through him.

9.06 Other Procedures. Notwithstanding the foregoing, the Committee may, in its discretion, adopt different procedures for different claims without being bound by past actions. Any procedures adopted, however, shall be designed to afford a Claimant a full and fair review of his claim and shall comply with applicable regulations under the Act.

9.07 Finality of Determinations; Exhaustion of Remedies. To the extent permitted by law, decisions reached under the claims procedures set forth in this Article IX shall be final and binding on all parties. No legal action for benefits under the Plan shall be brought unless and until the Claimant has exhausted his remedies under this Section. In any such legal action, the Claimant may only present evidence and theories which the Claimant presented during the claims procedure. Any claims which the Claimant does not in good faith pursue through the review stage of the procedure shall be treated as having been irrevocably waived. Judicial review of a Claimant's denied claim shall be limited to a determination of whether the denial was an abuse of discretion based on the evidence and theories the Claimant presented during the claims procedure. Any suit or legal action initiated by a Claimant under the Plan must be brought by the Claimant no later than one year following a final decision on the claim for benefits by the Committee. The one-year limitation on suits for benefits will apply in any forum where a Claimant initiates such suit or legal action.

9.08 Effect of Committee Action. The Plan shall be interpreted by the Committee in accordance with the terms of the Plan and their intended meanings. However, the Committee shall have the discretion to make any findings of fact needed in the administration of the Plan, and shall have the discretion to interpret or construe ambiguous, unclear or implied (but omitted) terms in any fashion they deem to be appropriate in their sole judgment. The validity of any such finding of fact, interpretation, construction or decision shall not be given de novo review if challenged in court, by arbitration or in any other forum, and shall be upheld unless clearly arbitrary or capricious. To the extent the Committee has been granted discretionary authority under the Plan, the Committee's prior exercise of such authority shall not obligate it to exercise its authority in a like fashion thereafter. If, due to errors in drafting, any Plan provision does not accurately reflect its intended meaning, as demonstrated by consistent interpretations or other evidence of intent, or as determined by the Committee in its sole and exclusive judgment, the provision shall be considered ambiguous and shall be interpreted by the Committee in a fashion consistent with its intent, as determined by the Committee in its sole discretion. The Committee may amend the Plan retroactively to cure any such ambiguity. This Section 9.08 may not be invoked by any person to require the Plan to be interpreted in a manner which is inconsistent with its interpretation by the Committee. All actions taken and all determinations made in good faith by the Committee shall be final and binding upon all persons claiming any interest in or under the Plan.

## Article X

### MISCELLANEOUS

10.01 Construction. The Plan is (a) an unfunded plan which is not intended to meet the qualification requirements of Code Section 401(a), and (b) designed to provide benefits to Participants after the Limitations are exceeded. All terms and provisions of the Plan shall be construed and constructed in accordance with such intent.

10.02 Powers of the Company. The existence of outstanding and unpaid benefits under the Plan shall not affect in any way the right or power of the Employer to make or authorize any adjustments, recapitalization, reorganization or other changes in the Employer's capital structure or in its business, or any merger or consolidation of the Employer, or any issue of bonds, debentures, common or preferred stock, or the dissolution or liquidation of the Employer, or any sale or transfer of all or any part of their assets or business, or any other act or corporate proceeding, whether of a similar character or otherwise.

10.03 Beneficiary Designations. The Beneficiary designation for a Participant shall be the same as his Beneficiary designation under the Retirement Plan. If no valid Beneficiary designation exists at the time of the Participant's death under the Retirement Plan, then the designation of a Beneficiary will follow the default provisions of the Retirement Plan if the Participant is a participant in the Retirement Plan at the time of his death.

In the event an Eligible Employee, upon becoming a Participant, is not a participant in the Retirement Plan, he may file with the Committee (or its delegate) a designation of one or more Beneficiaries to whom benefits otherwise payable to the Participant shall be made prior to the complete distribution of his benefits under the Plan. Such a Beneficiary designation shall be on the form prescribed by the Committee and shall be effective when received and accepted by the Committee. A Participant who is not a participant in the Retirement Plan may, from time to time, revoke or change his Beneficiary designation by filing a new designation form with the Committee. The last valid designation received by the Committee shall be controlling; provided, however, that no Beneficiary designation, or change or revocation thereof, shall be effective unless received prior to the Participant's death, and shall not be effective as of a date prior to its receipt or if the Participant is a participant in the Retirement Plan at the time of his death.

If no valid Beneficiary designation exists at the time of the Participant's death under the foregoing provisions of this Section 10.03 or if no designated Beneficiary under this Plan survives the Participant, or if such designation conflicts with applicable law, benefits shall be paid to the Participant's surviving lawful spouse, if any. If there is no surviving spouse, then payment of benefits shall be made to the executor or administrator of the Participant's estate, or if there is no administration on Participant's estate, in accordance with the laws of descent and distribution. If the Committee is in doubt as to the right of any person to receive such amount, it may direct that the amount be paid into any court of competent jurisdiction in an interpleader action, and such payment shall be a full and complete discharge of any liability or obligation under the Plan to the full extent of such payment.

10.04 Limitation of Rights. Nothing in this Plan shall be construed to:

(a) Except with respect to Limited 415 Participants, give any individual who is an Employee any right to be a Participant unless and until such person has been designated as such by the Committee;

- (b) Give any Participant any rights, other than as an unsecured general creditor of the Employer, with respect to any benefits accrued under the Plan until such amounts are actually distributed to him;
- (c) Limit in any way the right of the Employer to terminate a Participant's Employment with the Employer;
- (d) Give a Participant or any other person any interest in any fund or in any specific asset of the Employer;
- (e) Give a Participant or any other person any interests or rights other than those of an unsecured general creditor of the Employer;
- (f) Be evidence of any agreement or understanding, express or implied, that the Employer will employ a Participant in any particular position, at any particular rate of remuneration, or for any particular time period; or
- (g) Create a fiduciary relationship between the Participant and the Directors, Employer and/or Committee.

10.05 Distribution due to Qualified Domestic Relations Order. A distribution may be allowed for a "qualified domestic relations order" ("QDRO") as described in Code Section 414(p). The Committee shall establish procedures to determine whether any domestic relations order submitted to the Committee is a QDRO and to administer distributions under any valid QDROs. If the Committee, in its discretion, determines a domestic relations order to be a QDRO, the Committee shall direct payment hereunder as it deems necessary to comply with such QDRO.

10.06 Nonalienation of Benefits. No right or benefit under this Plan shall be subject to anticipation, alienation, sale, assignment, pledge, encumbrance, or charge, and any attempt to anticipate, alienate, sell, assign, pledge, encumber, or charge the same will be void and without effect. No right or benefit hereunder shall in any manner be liable for or subject to any debts, contracts, liabilities or torts of the person entitled to such benefits. The previous two sentences shall not preclude (a) the Participant from designating a Beneficiary to receive any benefit payable hereunder upon his death or (b) the executors, administrators, or other legal representatives of the Participant or his estate from assigning any rights hereunder to the person or persons entitled thereto.

10.07 Facility of Payments. If the Committee determines that any person entitled to payment under the Plan is physically or mentally incompetent to receive such payment, the Committee shall direct the payment to the legal guardian or other personal representative of such person for the use and benefit of such person. If the Committee for any reason is unable to determine with reasonable certainty the proper person to pay pursuant to the immediately preceding sentence, the Committee may direct that any amounts due hereunder be paid into a court of competent jurisdiction in an interpleader proceeding for purposes of being directed by such court as to the proper disposition of such amounts. Any such payment shall be a full and complete discharge of any liability or obligation under the Plan.

10.08 Withholding of Taxes. Participant hereby acknowledges and agrees that, as a result of any (a) deferral under this Plan or (b) payment received under this Plan, the Participant is solely responsible for any and all (i) federal, state and local income taxes and (ii) FICA and Medicare taxes ordinarily paid by Participant as an Employee. The Employer is hereby authorized to withhold from any amount payable hereunder any applicable withholding taxes and

to take such other action as may be necessary or desirable, in the opinion of the Employer, to satisfy all obligations for the withholding and payment of such taxes.

10.09 Adoption of Plan by Affiliated Entity. Any Affiliated Entity may adopt the Plan with the consent of the Directors or the Committee, effective as of the date specified therein. Any Employer, other than the Company, which has adopted the Plan shall not be responsible for the administration of the Plan.

10.10 Waiver. No term or condition of this Plan shall be deemed to have been waived, nor shall there be an estoppel against the enforcement of any provision of this Plan, except by written instrument of the party charged with such waiver or estoppel. No such written waiver shall be deemed a continuing waiver unless specifically stated therein, and each such waiver shall operate only as to the specific term or condition waived and shall not constitute a waiver of such term or condition for the future or as to any act other than that specifically waived.

10.11 Notice. Any notice required or permitted to be given under this Plan shall be sufficient if in writing and delivered via telecopier, messenger, or courier with appropriate proof of receipt, or sent by U.S. registered or certified or registered mail, return receipt requested, to the appropriate person or entity at the address last furnished by such person or entity. Such notice shall be deemed given as of the date of delivery to the recipient or, if delivery is made by U.S. mail, as of the date shown on the receipt for registration or certification.

10.12 Severability. In the event that any provision of the Plan is declared invalid in a final decree or order issued by a court of competent jurisdiction, such declaration shall not affect the validity of the other provisions of the Plan which shall remain in full force and effect.

10.13 Gender, Tense and Headings. Whenever the context requires, words of the masculine gender used herein shall include the feminine and neuter, and words used in the singular shall include the plural. The words "hereof," "hereunder," "herein," and similar compounds of the word "here" shall refer to the entire Plan and not to any particular term or provision of the Plan. Headings of Articles and Sections, as used herein, are inserted solely for convenience and reference and shall not affect the meaning, interpretation or scope of the Plan.

10.14 Governing Law. The Plan shall be subject to and governed by the laws of the State of Texas (other than its laws relating to choice of laws), except to the extent preempted by the Act, the Code or other controlling federal law.

[Signature page follows.]

IN WITNESS WHEREOF, Anadarko Petroleum Corporation has caused this amended and restated Plan to be adopted and executed by its duly authorized officer effective as of the Effective Date.

**ANADARKO PETROLEUM CORPORATION**

By: /s/ Darin S. Moss

Name: Darin S. Moss

Title: VP Human Resources

## LIST OF SUBSIDIARIES

The following is a list of the Registrant's subsidiaries at December 31, 2021.

Name	Jurisdiction of Formation
1PointFive P1, LLC	Delaware
1PointFive P2, LLC	Delaware
1PointFive, Inc.	Delaware
4374607 Nova Scotia Company	Nova Scotia
Administradora General Delta Centro, S.A.	Venezuela
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 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 M2 Holdings Limited	Mauritius
Anadarko Mexico B.V.	Netherlands

Name	Jurisdiction of Formation
Anadarko Mexico S.a.r.l	Luxembourg
Anadarko Midkiff/Chaney Dell BR Corp.	Delaware
Anadarko Midkiff/Chaney Dell LLC	Delaware
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 South Africa (Pty) Ltd.	South Africa
Anadarko US Offshore LLC	Delaware
Anadarko USH1 Corporation	Delaware
Anadarko Venezuela Company	Cayman Islands
Anadarko Venezuela LLC	Delaware
Anadarko Venezuela, Srl	Venezuela
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 GmbH	Switzerland
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
Houndstooth Resources, LLC	Texas
INDSPEC Chemical B.V.	The Netherlands

Name	Jurisdiction of Formation
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
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 Holding Limited	Bermuda
Occidental Al Hosn, LLC	Delaware
Occidental Angola Holdings Ltd.	Bermuda
Occidental Canada Holdings ULC	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
Occidental Colombia (Series L) Ltd.	Bermuda

Name	Jurisdiction of Formation
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 Dolphin Holdings Ltd.	Bermuda
Occidental Economic Opportunity Zone Investments, LLC	Delaware
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 Algeria 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 Barilla Draw Gathering, 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

Name	Jurisdiction of Formation
OXY of Saudi Arabia Ltd.	Cayman Islands
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 Corporation	
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

Name	Jurisdiction of Formation
Vintage Petroleum Argentina Ltd.	Cayman Islands
Vintage Petroleum Boliviana, Ltd.	Bermuda
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**

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 Form S-8 and the registration statements (Nos. 333-55404, 333-232928 and 333-235445) on Form S-3 of our report dated February 24, 2022, with respect to the consolidated financial statements and financial statement schedule II of Occidental Petroleum Corporation and the effectiveness of internal control over financial reporting.

/s/ KPMG LLP

Houston, Texas  
February 24, 2022



**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, 2021, ("Form 10-K"), 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 28, 2022, 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 24, 2022

**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 24, 2022

/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 24, 2022

/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, 2021, as filed with the Securities and Exchange Commission on February 24, 2022 (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 24, 2022

                  /s/ Robert L. Peterson

Name: Robert L. Peterson  
Title: Senior Vice President and Chief Financial Officer  
Date: February 24, 2022

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  
and  
Certain Economic Interests  
Derived Through Production Sharing Contracts**

**OXY PROPERTIES**

**SEC Parameters**

**As of**

**December 31, 2021**

*/s/ Guale Ramirez*

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Guale Ramirez, P.E.  
TBPELS License No. 48318  
President

**[SEAL]**

**RYDER SCOTT COMPANY, L.P.**  
TBPELS Firm Registration No. F-1580



TBPELS REGISTERED ENGINEERING FIRM F-1580 FAX (713) 651-0849  
1100 LOUISIANA SUITE 4600 HOUSTON, TEXAS 77002-5294 TELEPHONE (713) 651-9191

January 28, 2022

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 for the reviewed properties as of December 31, 2021, 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 28, 2022 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, 2021. 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, and derived through Occidental's economic interests as defined in contractual arrangements for certain properties located in the Middle East and Africa.

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, 2021. 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.

SUITE 2800, 350 7TH AVENUE, S.W. CALGARY, ALBERTA T2P 3N9 TEL (403) 262-2799  
633 17TH STREET, SUITE 1700 DENVER, COLORADO 80202 TEL (303) 339-8110

Percentage of Total Company Estimated Net Reserves  
Reviewed by Ryder Scott  
SEC Parameters  
**Occidental Petroleum Corporation**  
As of December 31, 2021

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	Oil/Condensate	NGL	Total Liquid Hydrocarbons	Gas	Equivalent BOE
Total Proved Developed	31.6%	29.4%	31.0%	31.4%	31.1%
Total Proved Undeveloped	43.1%	56.2%	47.6%	59.9%	51.2%
Total Company Proved	34.3%	36.7%	35.0%	38.8%	36.1%

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 Reserves 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 SEC'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 this 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, 2021; 2) documenting the changes in reserves from prior estimates; 3) preparing the economic evaluations associated with the estimated December 31, 2021 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 SEC'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-based methods, analogy or a combination of methods. Approximately 74 percent of the proved developed producing reserves (attributable to producing wells or reservoirs) for the properties reviewed were estimated by performance-based methods including decline curve analysis and reservoir modeling, which utilized extrapolations of historical production and pressure data in those cases where such data were considered to be definitive. The remaining 26 percent of the proved developed producing reserves (attributable to the producing wells or reservoirs) for the properties reviewed were estimated by a combination of methods including type curves and dimensionless 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 producing reserves for the properties reviewed by us were considered sufficient for the purpose thereof.

Approximately 97 percent of the proved developed non-producing reserves were estimated by type curves and dimensionless type curves supported by analogs. The remaining 3 percent of the proved developed non-producing reserves were estimated by performance-based methods including alternative projections, use of previously established decline trends and numerical modeling. Approximately 55 percent of the proved undeveloped reserves were estimated by numerical modeling. Forty-three (43) percent of the proved undeveloped reserves were estimated by type curves and dimensionless type curves supported by analogs. The remaining 2 percent of the proved undeveloped reserves were estimated by the volumetric method. The data used by Occidental in their analysis of the non-producing and undeveloped proved 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, 2021 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. A summary of average realized prices is not included for properties located in the Middle East and Africa because of host governments' limitations on the disclosure of commercially sensitive information. 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	\$66.56/bbl	\$66.39/bbl
	NGLs	Mt. Belvieu	\$44.22/bbl	\$27.77/bbl
	Gas	Henry Hub	\$3.60/Mmbtu	\$3.28/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 differentials 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 operating costs 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 development costs 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, 2021. 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, 2021, 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.

#### ***Reserves Derived by Occidental Through Certain Production Sharing Contracts***

The reserves for certain properties located in Africa and the Middle East reviewed by Ryder Scott are limited to the period prior to the expiration of current contracts providing the legal right to produce or an economic interest in such production. Furthermore, properties in different countries may be subjected to significantly varying contractual fiscal terms that affect the net revenue to Occidental for the production of such volumes. The prices and economic return received for these net volumes can vary significantly based on the terms of the applicable contracts. Occidental's net hydrocarbon volumes for the fields reviewed in the Middle East include certain amounts corresponding to in-country income taxes where the terms of the relevant production sharing contract include provisions for an in-kind settlement process, where production is immediately taken and sold to pay the local income tax for and on behalf of the contractor (in this case Occidental). Ryder Scott has not conducted an exhaustive audit or verification of such contractual information. Neither our review of such contractual information nor our acceptance of Occidental's representations regarding such contractual information should be construed as a legal opinion on this matter.

### ***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 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, 2021. 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 will appear in the December 31, 2021 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.**  
TBPELS Firm Registration No. F-1580

/s/ Guale Ramirez

Guale Ramirez, P.E.  
TBPELS License No. 48318  
GR/pl President

[SEAL]

RYDER SCOTT COMPANY PETROLEUM CONSULTANTS

### **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/Employees](http://www.ryderscott.com/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 2021 continuing education hours, Mr. Ramirez attended and internally received 18 hours of formalized training as well as a one day public forum, the 2021 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 2020 and 2021.

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 Evaluator 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 took 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 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 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.*

## 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.*