




OCCIDENTAL PETROLEUM CORPORATION



Employee Benefits Program

This booklet is intended only to highlight the benefit plans and programs made available by Oxy. The summary of the terms and conditions of the plans and programs contained in this booklet is not complete. Oxy's benefit plans and programs are administered according to plan documents, including trust agreements and contracts with third parties, as well as corporate and divisional policies. If you become an Oxy employee, you will receive more complete information about Oxy's benefit plans and programs. If there is a conflict between the terms of this booklet or the other information you receive as an employee, the plan documents (as supplemented from time to time by announcements in Oxy's *Benefits News*) control. Oxy does not promise that these benefit plans and programs or any level of benefits will continue to be made available. Oxy reserves the right to revise, amend or discontinue its benefit plans and programs at any time, with or without notice. Benefits are provided at the sole discretion of Oxy and do not create a contract of employment.



Employee benefits play an important role in making Oxy a great place to work. Oxy's comprehensive benefits program is highly competitive with those offered by other companies in our industries. In a very real sense, benefits are as much a part of your earnings as your regular compensation.

Oxy pays for many of your benefits, but some of the plans are voluntary and require that you enroll and make monthly contributions through payroll deductions. Generally, all regular, full-time, non-union employees are eligible to participate in Oxy's benefit plans on their date of hire.

Shortly following your date of hire, a benefits enrollment packet will be mailed to you by the *OxyLink*[®] Employee Service Center. Some of the plans require that you enroll within 31 days of your date of hire or you will not be eligible to enroll until a future open enrollment period or, in some cases, you will need to provide proof of good health to enroll.

This brochure will provide you with a brief overview of the benefit plans and other employee resources that are available if you become an Oxy employee.

TABLE OF CONTENTS

- 2 Health Care**
- 4 Life and Accident**
- 5 Disability**
- 6 Retirement and Savings**
- 7 Services and Programs**
- 9 Benefit Plans at a Glance**

HEALTH CARE

MEDICAL COVERAGE

Under the Medical Plan, you and Oxy share the cost of providing for your health care coverage. You pay your share through monthly contributions, copayments or coinsurance, and/or annual deductibles.

The coverage level you select—employee only, employee plus one dependent, or family—and the medical option you choose—a POS plan or another regional medical plan option such as an HMO—determine your monthly pretax contribution amount.

Generally, you must enroll within 31 days of your date of hire or you will not be eligible to enroll until the next open enrollment period.

Medical Plan Options

POS Plans

These options are designed to help you pay for the cost of most preventive and medically necessary care, and to protect you from extraordinary medical expenses. Through Aetna's *Open Access-Choice POS II* network, the plans offer cost savings when you use network hospitals, physicians and other health care providers. You may choose a regular deductible option, or one of two high-deductible options that work in conjunction with a tax-advantaged Health Savings Account to help you pay for current and future health care expenses with tax-free dollars.

For precertified **inpatient hospital care**, the POS plans pay a higher reimbursement level (90%) of covered expenses after the annual deductible when you use network hospitals than if you use non-network facilities (70%).

If you use network physicians, after the deductible has been met, the plans generally pay 80% of covered

expenses for physician's fees and other types of covered **outpatient medical expenses**. If you use non-network physicians, the plans generally pay 70% of usual and customary charges, which are typically higher than the network rates.

The POS options provide **prescription drug coverage** that offers cost savings through a retail pharmacy network for short-term prescriptions or a mail order prescription drug service for prescribed medications you need on a longer-term basis. Generally, your copayment is 25% of the price for each prescription.

The POS plans also cover precertified **mental health and substance abuse treatment**.

Regional Medical Options

At some locations, employees may enroll in a regional medical option such as an HMO or a Blue Cross/Blue Shield PPO if optional coverage is available.

Under these options, you usually select a primary care physician (PCP) to coordinate all of your care, and you pay a preset copayment for each office visit. Your monthly pretax contributions and the copayment amounts vary with each option. Covered medical services typically must be received from a specific network of doctors, hospitals and other medical providers.

Vision One[®] Discount Program

All participants covered under a medical or dental plan administered by Aetna are eligible for Aetna's vision care discount program, **Vision One[®]**. The program is offered to you at no cost and can provide you and your family with substantial discounts when you use participating providers.



Retiree Medical Coverage

Under current plan provisions, employees who retire from Oxy at age 55 or older with at least 10 years of Oxy service are eligible for retiree medical coverage. Contributions are currently based on your combined age and service on your Oxy retirement date.

DENTAL COVERAGE

Regardless of the type of medical coverage option you select, you and your dependents may elect coverage under the Oxy Dental Plan for an additional monthly contribution.

For **preventive and diagnostic services**, the plan generally pays 100% of covered expenses before the deductible. These services include routine examinations, cleanings and X-rays. After the annual deductible, the plan pays 80% of covered expenses for **restorative services** such as most fillings, extractions, and periodontal and endodontic treatment. For **major services** such as inlays, crowns and bridgework, the plan pays 50% of covered expenses, after the annual deductible.

In addition, the plan will pay 50% of covered expenses with no deductible for orthodontic services up to a maximum lifetime benefit of \$1,500 for each of your covered dependent children under age 19.

If you use an Aetna dental network provider, the plan pays the above percentages of the generally lower network rate, so you and the plan pay less. For covered expenses, the plan will pay a maximum annual benefit of \$1,500 for each covered individual (excluding the separate lifetime orthodontic limit).

FLEXIBLE SPENDING ACCOUNTS and HEALTH SAVINGS ACCOUNTS

Flexible Spending Accounts (FSAs) and Health Savings Accounts (HSAs) let you **pay for certain health care expenses with tax-free dollars**. You may also contribute pretax dollars to a separate FSA to pay for qualified dependent care expenses so that you and your spouse can work.

If you enroll in an FSA for health care and/or dependent care within 31 days of your date of hire, you can pay for certain health care or dependent care expenses you incur following your date of hire through the end of that calendar year with pretax dollars. FSAs require annual re-enrollment. Generally, each year you may contribute up to \$5,000 to both a Dependent Care and a Health Care FSA.

If you enroll in one of the high-deductible medical plan options, you may also elect an HSA. An HSA is a **special, tax-advantaged savings account** that works in conjunction with a high-deductible health plan. Tax-free contributions to an HSA can be used to pay for your current and future medical expenses. Depending on the high-deductible medical plan option you choose, Oxy provides a contribution to your HSA and/or reduced monthly medical plan contributions.

LIFE AND ACCIDENT

BASIC LIFE INSURANCE

This plan provides you with life insurance coverage equal to **two times your annual base pay** beginning on your date of hire. Oxy pays the full cost for your coverage. Benefits are paid to your designated beneficiary under the plan.

GROUP UNIVERSAL LIFE (GUL) INSURANCE

You may purchase additional life insurance coverage under Oxy's GUL Plan offered through CIGNA. If you enroll within 31 days of your date of hire, you may elect coverage of **one-half, one, or two times your base pay**, up to a maximum of \$500,000, without providing medical information. Coverage **up to four times your base pay is available**, but requires proof of good health. The plan also offers coverage for your spouse and dependent children.

You pay the entire cost for GUL coverage based on an age-related premium schedule. You may make additional contributions to a tax-sheltered savings account if you elect either employee or spousal coverage. In addition, your GUL coverage is portable. When you leave Oxy, you may continue your coverage by paying your premiums directly to CIGNA.

ACCIDENTAL DEATH AND DISMEMBERMENT (AD&D)

Oxy's AD&D Plan can provide 24-hour protection for you and your eligible dependents for loss of life or limb resulting from an accident. If you enroll, you may also elect to cover your spouse, and each of your eligible dependent children will be covered at no additional cost. You pay the entire cost for covering you and your

spouse through payroll deductions. If you do not enroll within 31 days of your date of hire, you will not be eligible to enroll until the next annual enrollment period. You may cancel or decrease your coverage at any time.

You may purchase from **1 to 10 times your annual base pay**, up to a maximum of \$1 million, whichever is less. If you enroll, you may also purchase spousal coverage equal to 50% or 100% of your elected coverage amount up to a maximum of \$1 million. If you enroll, each of your dependent children automatically is covered for \$10,000.

In the event of accidental death, the benefit paid to your designated beneficiary will equal the full coverage amount. In the event of an accidental dismemberment, a percentage of the AD&D benefits are paid to you depending on the nature of your injury.

OCCUPATIONAL ACCIDENTAL DEATH AND DISMEMBERMENT (OAD&D)

Oxy's OAD&D Plan provides accident coverage while you are at work, traveling on company business, and commuting to and from your home and your workplace. The plan, which is fully paid by Oxy, provides coverage of **three times your annual base pay**. Coverage begins on your date of hire and ends on the last day you are actively at work.

The full amount of your coverage is payable to your designated beneficiary in the event of your accidental death. In the event of an accidental dismemberment, a portion of the full coverage amount will be paid to you, depending on the nature of your injury.

DISABILITY

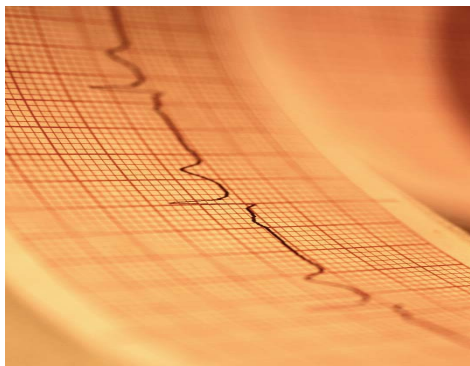
SHORT-TERM DISABILITY (STD)

Oxy's STD program provides financial security for you and your family if you are unable to work because of a short-term disability. You are automatically covered beginning on your date of hire. STD is provided by Oxy at no cost to you. It provides you with **50% or 100% of your monthly base pay** according to a service-related schedule for up to the **first 26 weeks** that you are unable to work because of illness or injury.

The amount of your STD benefits is reduced by any disability income you may receive from other sources such as Workers' Compensation, Social Security or any company-sponsored or government-sponsored disability program. To the extent permitted by law, the STD period generally will run concurrently with leave under the Family Medical Leave Act and similar state laws.

LONG-TERM DISABILITY (LTD)

Oxy's LTD Plan is designed to provide you with continuing income in the event of a prolonged illness or injury. If the insurance carrier determines that you are totally disabled as defined under the terms of the LTD policy, monthly LTD benefits generally begin after the 26-week benefit period ends under Oxy's STD Program. As long as you remain disabled under the terms of the LTD Plan, benefits generally are payable until age 65.



If you enroll for LTD coverage within 31 days of your date of hire, proof of good health will not be required. You pay the entire cost for your coverage through pretax payroll contributions.

You may elect to enroll under one of the following options:

Income Plus Option provides a benefit equal to **60% of your monthly base pay** while you are disabled and if you are approved for SSA disability benefits. In addition, this option provides a lump-sum disability completion benefit payable at the end of your LTD Plan disability period equal to 10% of your predisability monthly base earnings times the number of full monthly benefit payments made during your period of LTD Plan disability. This amount also will be adjusted for cost of living at an annual rate of 6%, compounded monthly.

Basic Income Option provides the monthly benefit equal to **60% of your base pay** but does not provide the disability completion benefit.

Under both options, your monthly LTD benefits are subject to offsets for income from other sources such as Workers' Compensation, Social Security and benefits under any company-sponsored retirement plan. The minimum monthly LTD benefit is \$150 and the maximum monthly benefit is \$10,000.

Under current plan provisions, eligibility for you and your dependents under the Medical, Dental and Basic Life Insurance plans will continue, under the terms of those plans, while you are receiving LTD benefits.

RETIREMENT AND SAVINGS

PERSONAL RETIREMENT ACCOUNT (PRA)

The Oxy Retirement Plan—also known as the Personal Retirement Account or PRA—is funded entirely by Oxy. It is a very important part of Oxy’s effort to help you achieve a comfortable retirement. Most employees automatically become participants beginning on their date of hire. Employees who are eligible to receive pension accruals under another company-sponsored retirement plan may not be eligible to participate in the PRA.

The amount of your benefit under the PRA depends on your age and base pay, as well as the investment growth your account earns under the PRA’s investment funds. If you are under age 35, **Oxy contributes an amount equal to 4% of your base pay** up to the annual Social Security Wage Base (SSWB) **plus 8% of your base pay** above the SSWB. If you are age 35 or older, **Oxy contributes 7% of your base pay** up to the SSWB **plus 12% of your base pay** above the SSWB.

You decide how Oxy’s contributions to your PRA are invested among **different PRA investment funds**, each offering a different level of risk and potential return. Detailed fund descriptions will be provided with your benefits enrollment packet.

You may change your investment direction for Oxy’s future contributions or transfer your existing balances among the investment funds at any time. The PRA is valued daily.

You will be vested in your PRA after you have completed three years of vesting service. Your entire PRA balance grows on a tax-deferred basis until you request a distribution after you leave Oxy or retire. If you are vested, you (or your designated beneficiary, in the event of your death) may request one of various distribution options when you leave Oxy.

PERSONAL SAVINGS ACCOUNT (PSA)

The Oxy Savings Plan—also known as the Personal Savings Account or PSA—is a 401(k) retirement savings plan designed to help you reach your long-term financial goals. You automatically become a participant on your date of hire.

The PSA is based on shared responsibility—both you and Oxy play an important role. In order to take advantage of the plan, you need to save and invest. The PSA allows you to save a percentage of your pay on a before-tax basis, an after-tax basis or a combination of both. When you contribute to the PSA, **Oxy matches 100% of every dollar you save in the PSA, up to 6% of your base pay and most regular annual bonuses**. Oxy’s match is invested in the Oxy Stock Fund and may not be transferred to any other PSA investment fund until you are vested.

The PSA provides you with the opportunity to **invest your savings among different PSA investment funds**, each offering a different level of risk and potential return. Detailed fund descriptions will be provided with your benefits enrollment packet.

You may change the investment of your future employee contributions or transfer your existing employee account balances among the various PSA investment funds at any time. In addition, PSA loans and in-service withdrawals are available to active employees, subject to plan restrictions. Your entire PSA balance grows on a tax-deferred basis until you request payment. The PSA is valued daily.

You will be fully vested in Oxy’s matching contributions after three years of vesting service. You are always fully vested in your employee contribution account balances and dividends allocated under the Oxy Stock Fund’s company matching account. You (or your designated beneficiary, in the event of your death) may request distribution of your vested balance after you leave Oxy.

The PSA also accepts taxable rollovers from other employers’ qualified plans.

SERVICES AND PROGRAMS

OXYLINK - YOUR DIRECT BENEFITS CONNECTION

The *OxyLink*[®] Employee Service Center is part of Oxy and is dedicated to helping employees make the most of the benefit resources available at Oxy. *OxyLink* offers employees the following services:

OxyLink Online provides access to personal benefits information from work or home and allows employees to request PSA and PRA investment changes and other transactions.

Service representatives are available during normal business hours to assist employees who have specific questions about their benefits.



OTHER BENEFIT POLICIES AND PROGRAMS

Employee Assistance Program (EAP)

The EAP helps employees deal with personal and work-related problems. It provides confidential assistance 24 hours a day, 365 days a year. The EAP offers assistance for marital, family, relationship or legal difficulties, emotional problems, and drug/alcohol abuse through a nonjudgmental counseling, referral and follow-up service staffed by professionals. This source of confidential help is offered at no charge to all employees and their dependents.

Vacations and Holidays

Generally, employees are entitled to annual paid vacation under the following schedule:

YEARS OF SERVICE	VACATION DAYS
Less than 1 year	Prorated
1 year, but less than 9 years	15 (120 hours)
9 years, but less than 19 years	20 (160 hours)
19 years, but less than 29 years	25 (200 hours)
29 years or more	30 (240 hours)

Step changes in vacation accrual begin on the first of the month following completion of the 9th, 19th or 29th service anniversaries.

Generally, Oxy observes the 10 holidays listed below.

New Year's Day	Thanksgiving Day
Presidents' Day	Day after Thanksgiving
Memorial Day	Christmas (2 days)
Independence Day	1 Floating Holiday
Labor Day	

Vacation and holiday policies vary by location.

Educational Assistance

Oxy encourages employee self-development by providing educational assistance to eligible full-time, regular employees who successfully complete preapproved courses of study.

Upon the successful completion of each course of study that is begun as an Oxy employee, eligible employees generally will be reimbursed for 100% of all tuition, required texts, laboratory fees, parking and entrance examination fees, for a maximum of two courses per grading period.

OxyWellness

Oxy provides you and your spouse with access to valuable health services and resources at no cost to you. This program provides on-site health screenings and telephone coaching designed to empower you and your spouse to take charge of your health. By accessing your personal and confidential web page, you can also obtain helpful tips and health news and use numerous self-help tools.

Service Awards

Your service with Oxy is recognized by the presentation of Service Awards on established anniversary dates, generally beginning with your fifth year of service and at five-year intervals thereafter. You will be contacted in advance of your designated anniversary date so that you may select one of the gifts Oxy awards in recognition of the years of service you have achieved.

Matching Gifts

The Occidental Petroleum Charitable Foundation's Matching Gift Program provides you with the opportunity to double the effectiveness of your gifts to accredited institutions of higher education and cultural organizations. Oxy's maximum annual matching donation on behalf of each eligible employee is \$50,000.



Merit Scholarships

The Occidental Petroleum Charitable Foundation makes available college scholarships to eligible high school students who are the children of Oxy employees through the National Merit Scholarship Corporation (NMSC). NMSC is an independent nonprofit organization that provides a scholarship program for corporations, foundations and other organizations that wish to sponsor college undergraduate scholarships. The main purposes of NMSC are to identify and honor academically talented high school students through an annual merit scholarship competition. All phases of the competition, including the selection of winners, the amount of the scholarship stipend, payment of the stipend and renewal of the awards, are administered by the NMSC.

Benefit Plans at a Glance

Plan	Coverage
Medical Care (Oxy and employee share cost)	Employee only, employee plus one dependent, and family coverage available
Dental Care (Oxy and employee share cost)	Same as Medical Care
Health Savings Accounts (Employee-paid and/or Oxy-paid)	Pay for eligible current and future health care expenses with tax-free dollars - requires that you also enroll in a high deductible medical plan option
Flexible Spending Accounts (Employee-paid)	Pay for current year eligible health care and dependent day-care expenses with pretax contributions
Basic Life Insurance (Oxy-paid)	Two times base pay (employee coverage only)
Group Universal Life (GUL) Insurance (Employee-paid)	Up to four times base pay; spouse and dependent coverage available
Accidental Death & Dismemberment (Employee-paid)	From 1 to 10 times base pay up to \$1 million; spouse and dependent coverage available
Occupational Accidental Death & Dismemberment (Oxy-paid)	Three times base pay (employee coverage only)
Short-Term Disability (Oxy-paid)	50% or 100% of base pay based on service (employee coverage only)
Long-Term Disability (Employee-paid)	60% of monthly base pay, with optional lump sum benefit (employee coverage only)
Personal Retirement Account (PRA) (Oxy-paid)	Oxy contributes age-related percentage of base pay above and below Social Security Wage Base
Personal Savings Account (PSA) (Employee contributions and Oxy match)	Oxy matches 100% of employee contributions up to 6% of base and annual bonus pay

Adding It All Up

As you can see, Oxy's benefit plans and programs are designed to provide you and your family with the protection you need today and the opportunity to build financial security for your future.



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10889 Wilshire Boulevard, Los Angeles, California 90024

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