



CALIFORNIA
RESOURCES CORPORATION

EMPLOYEE BENEFITS PROGRAM



YOUR HEALTH. YOUR LIFE. YOUR FUTURE.

CRC'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.

BENEFIT PLANS AT A GLANCE

| PLAN | COVERAGE | DETAILS |
|--|--|---------|
| Medical Care (CRC and employee share cost) | Employee only, employee plus one dependent, and family coverage available | Page 2 |
| Dental Care (CRC and employee share cost) | Employee only, employee plus one dependent, and family coverage available | Page 3 |
| Health Savings Account (Employee contributions) | Save and pay for eligible current and future health care expenses with federal tax-free dollars – requires that you also enroll in a high-deductible medical plan option | Page 3 |
| Flexible Spending Accounts (Employee contributions) | Pay for current year eligible health care and dependent daycare expenses with tax-free dollars | Page 3 |
| Basic Life Insurance (CRC-paid) | Two times base pay | Page 4 |
| Group Universal Life Insurance (Employee-paid) | Up to six times base pay; spouse and dependent coverage available Optional tax-deferred savings feature with a guaranteed return available | Page 4 |
| Accidental Death & Dismemberment (Employee-paid) | From one to ten times base pay up to \$1 million; spouse and dependent coverage available | Page 4 |
| Occupational Accidental Death & Dismemberment (CRC-paid) | Three times base pay | Page 4 |
| Short-Term Disability (CRC-paid) | 50% or 100% of base pay according to a service-related schedule | Page 5 |
| Long-Term Disability (Employee-paid) | 50% or 60% of monthly base pay | Page 5 |
| Savings Plan (Employee and CRC contributions) | Matching Contributions: CRC contributes up to 7% of eligible pay Retirement Contributions: CRC contributes 7% to 12% of eligible pay | Page 6 |
| Employee Stock Purchase Plan (Employee-paid) | Purchase CRC stock at a 15% discount | Page 6 |

YOUR CRC BENEFITS PROGRAM

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

CRC 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 CRC's benefit plans on their date of hire.

This brochure will provide you with a brief overview of the benefit plans and other employee resources that are available if you become a CRC employee. Shortly following your date of hire, you will be mailed a benefits enrollment packet that more fully describes CRC's employee benefits.

MEDICAL COVERAGE

Under the Medical Plan, you and CRC 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 determine your monthly pretax contribution amount.

Medical Plan Options

CRC offers two medical options, the Core Medical Plan and the High Deductible Medical Plan, each designed to help you pay for the cost of most preventive and medically necessary care, and to protect you from extraordinary medical expenses. Under these plans, you can choose any doctor, and visit any hospital – you do not need a referral to visit a specialist. Under both options, you save money when you use network providers.

The Core Medical Plan has a lower deductible with flat-dollar copayments for most outpatient services, but higher employee contributions. The High Deductible Medical Plan has a higher deductible that applies to most services, but lower monthly employee contributions, and you pay a percentage of most covered services rather than a fixed-dollar copayment. The High Deductible Medical Plan can also be used in conjunction with a tax-advantaged Health Savings Account to help you save and pay for current and future health care expenses with tax-free dollars.

Regional Medical Options

At certain locations, employees may enroll in a Health Maintenance Organization (HMO) medical option. Under an HMO, you select a primary care physician to coordinate all of your care, and you typically pay a fixed-dollar copayment for each office visit or other medical service. The monthly contributions and copayments vary with each HMO. Covered medical services typically must be received from a specific network of doctors, hospitals and other medical providers.

Retiree Medical Coverage

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





DENTAL COVERAGE

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

For **preventive and diagnostic services**, the plan generally pays 100% of covered expenses with no deductible. These services include routine examinations, cleanings and X-rays. For other services, you must first pay an annual deductible. After you pay the 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 you pay the deductible.

In addition, the plan will pay 50% of covered expenses with no deductible for **orthodontic services** for each of your covered dependent children under age 19. If you use a network provider, you generally will pay less. The plan has a maximum annual benefit for each covered individual, and a separate lifetime orthodontic limit.

Retiree Dental Coverage

Retiree dental coverage is available to those who are eligible for retiree medical coverage. The cost of coverage is fully funded by retirees.



FLEXIBLE SPENDING ACCOUNTS AND HEALTH SAVINGS ACCOUNTS

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

Each year you decide how much money, if any, you wish to contribute pretax to each of your accounts up to the plan limits. You can pay for certain health care or dependent daycare expenses you incur during the year with those pretax dollars.

If you enroll in the High Deductible Medical Plan, you may also elect to contribute to an HSA, which is a **special, tax-advantaged savings account**. Your federal tax-free balance in an HSA can be used to pay for both current and future medical expenses.

VISION AND HEARING DISCOUNT PROGRAMS

CRC employees are eligible for vision and hearing discount programs. The programs are offered to you at no cost and can provide you and your family with substantial discounts when you use participating providers.

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. CRC pays the full cost for your coverage. Benefits are payable to your designated beneficiary under the plan.

GROUP UNIVERSAL LIFE (GUL) INSURANCE

You may purchase additional life insurance coverage under CRC's GUL Plan. 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 six times your base pay is available**, up to a maximum of \$2 million, 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 with a guaranteed return if you elect either employee or spousal coverage. In addition, your GUL coverage is portable. When you leave CRC, you may continue your coverage by paying your premiums directly to the insurer.



ACCIDENTAL DEATH AND DISMEMBERMENT (AD&D)

CRC's AD&D Plan can provide 24-hour financial 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. Through payroll deductions you pay the entire cost for covering you and your spouse.

You may elect from **one to ten times your annual base pay**, up to a maximum of \$1 million. 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 dependent child is automatically 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)

CRC'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 CRC, provides coverage of **three times your annual base pay**. Coverage begins on your date of hire.

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.



SHORT-TERM DISABILITY (STD)

CRC's STD Plan 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 CRC 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 benefit will be 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.



LONG-TERM DISABILITY (LTD)

CRC's LTD Plan is designed to provide you with continuing income in the event of a prolonged illness or injury. If you are totally disabled as defined under the terms of the LTD policy, monthly LTD benefits generally begin after the 26-week benefit period under CRC's STD Plan ends. As long as you remain disabled under the terms of the LTD policy, benefits typically are payable until your Social Security normal retirement age.

If you enroll for LTD coverage when first eligible, proof of good health will not be required.

You may elect a **50% or a 60% income replacement option**. Both options also provide a six month lump-sum survivor benefit in the event you die while receiving LTD benefits.

You pay the entire cost for your coverage through after-tax payroll deductions, so any LTD benefit is generally tax free.

Your monthly LTD benefit is subject to offsets for income from certain other sources under both options. The minimum monthly LTD benefit is \$150 and the maximum monthly benefit is \$15,000.

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.

SAVINGS PLAN

The CRC Savings Plan is a 401(k) plan designed to help you reach your long-term financial goals. You are eligible to participate on your date of hire.

Matching Contributions

The Savings Plan is based on shared responsibility – both you and CRC play an important role. In order to take full advantage of the plan, you need to save and invest. The plan allows you to save a percentage of your eligible pay on a before-tax basis, after-tax basis, Roth basis, or any combination. When you contribute to the plan, CRC matches two dollars for every dollar you contribute up to 2% of your eligible pay, plus an additional dollar-for-dollar match on the next 3% of your pay. Therefore, if you contribute at least 5% of your pay, you will receive the total available match of 7% of your pay.

Retirement Contributions

CRC also makes separate Retirement Contributions to your Savings Plan regardless of whether you contribute to the plan. These Retirement Contributions are an important part of CRC's effort to help you achieve your retirement goals, and will automatically be made beginning on your date of hire. Employees who are eligible to receive pension accruals under any other CRC-sponsored retirement plan are not eligible to receive Retirement Contributions to the Savings Plan.

CRC's Retirement Contributions to your Savings Plan equal a percentage of your eligible pay; 7% of pay up to the government's annually adjusted Social Security Wage Base (SSWB) and 12% of pay over the SSWB.

You vest in CRC's Matching Contributions immediately and you will be vested in your Retirement Contributions after you have completed three years of CRC service.

You decide how CRC's contributions to your Savings Plan are invested among different investment funds, each offering a different risk and return profile.

The Plan is designed for retirement savings but loans and in-service withdrawals are available, subject to plan restrictions. Your before-tax contributions, CRC's contributions, and any earnings remain tax-deferred until you request a distribution. You (or your designated beneficiary, in the event of your death) may request one of various distribution options when you leave CRC or retire.

The Savings Plan also accepts taxable rollovers from other employers' qualified plans.

EMPLOYEE STOCK PURCHASE PLAN

The CRC Employee Stock Purchase Plan allows you to purchase shares of California Resources Corporation stock at a discount. If you wish to participate, you make a quarterly election to have a percentage of your base pay deducted from your paychecks. At the end of each quarter, shares are purchased at a 15% discount and deposited into your account. You are required to hold the shares for a minimum of three months, after which you may sell the shares at any time.



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, retirees, 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 and 29th service anniversaries.

CRC observes the eleven holidays listed below.

| | |
|----------------------------|-----------------------|
| New Year's Day | Labor Day |
| Martin Luther King Jr. Day | Veterans Day |
| Presidents' Day | Thanksgiving (2 days) |
| Memorial Day | Christmas (2 days) |
| Independence Day | |

Educational Assistance

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

Upon the successful completion of each course of study that is begun as a CRC employee, eligible employees generally will be reimbursed for required educational fees including tuition, textbooks, laboratory fees, parking, and admission fees, for a maximum of ten courses per calendar year up to the total preapproved reimbursement amount.

Wellness Program

CRC provides you with access to valuable health services and resources at no cost to you. The wellness program is designed to support your overall health and well-being, integrating benefits information with tips on personal health, workplace health and life balance. The program also offers a gym subsidy program and on-site wellness events.

Health Advocate

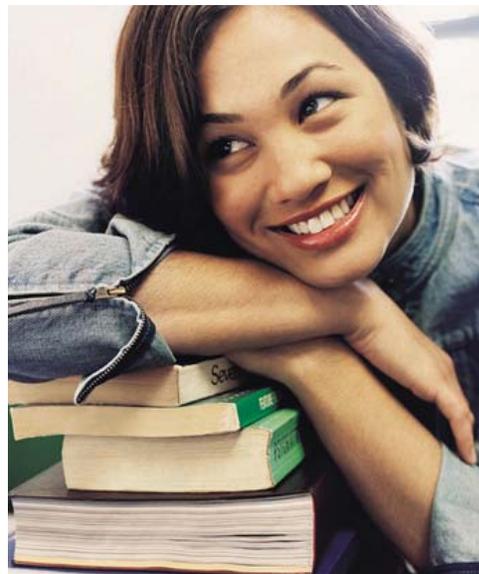
Health Advocate provides a service that can help you obtain confidential, unbiased, objective information, and clarify options under any health plan to help you make more informed decisions about health care. CRC makes this service available at no charge to all employees, retirees, their spouses, dependent children, parents and parents-in-law.

Service Awards

Your service with CRC 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 gift options CRC awards in recognition of the years of service you have achieved.

Matching Gifts

The CRC Matching Gift Program provides you with the opportunity to double the effectiveness of your gifts to approved non-profit organizations.



This booklet is intended only to highlight the benefit plans and programs made available by CRC to its regular, full-time, non-union employees. The summary of the terms and conditions of the plans and programs contained in this booklet is not complete. CRC'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 CRC employee, you will receive more complete information about CRC'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 CRC announcements and newsletters) control. CRC does not promise that these benefit plans and programs or any level of benefits will continue to be made available. CRC 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 CRC and do not create a contract of employment.

