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

Form 10-K

(Mark One)

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

For the fiscal year ended December 31, 2021

or

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

Commission File Number 001-32318

DEVON ENERGY CORPORATION
(Exact name of registrant as specified in its charter)

Delaware	**73-1567067**
(State or other jurisdiction of incorporation or organization)	***(I.R.S. Employer identification No.)***
333 West Sheridan Avenue, Oklahoma City, Oklahoma	**73102-5015**
(Address of principal executive offices)	***(Zip code)***

Registrant's telephone number, including area code: (405) 235-3611

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, par value $0.10 per share	DVN	The 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	☐	Non-accelerated filer	☐
Smaller reporting company	☐	Emerging growth company	☐		

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

Indicate by check mark whether the registrant 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 voting common stock held by non-affiliates of the registrant as of June 30, 2021 was approximately $19.6 billion, based upon the closing price of $29.19 per share as reported by the New York Stock Exchange on such date. On February 2, 2022, 664.2 million shares of common stock were outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of Registrant's definitive Proxy Statement relating to Registrant's 2022 annual meeting of stockholders have been incorporated by reference in Part III of this Annual Report on Form 10-K.

Auditor Name: KPMG LLP Auditor Location: Oklahoma City, Oklahoma Audit Firm ID: 185

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DEFINITIONS

Unless the context otherwise indicates, references to "us," "we," "our," "ours," "Devon," the "Company" and "Registrant" refer to Devon Energy Corporation and its consolidated subsidiaries. All monetary values, other than per unit and per share amounts, are stated in millions of U.S. dollars unless otherwise specified. In addition, the following are other abbreviations and definitions of certain terms used within this Annual Report on Form 10-K:

"2015 Plan" means the Devon Energy Corporation 2015 Long-Term Incentive Plan.

"2017 Plan" means the Devon Energy Corporation 2017 Long-Term Incentive Plan.

"ASC" means Accounting Standards Codification.

"ASU" means Accounting Standards Update.

"Bbl" or "Bbls" means barrel or barrels.

"Bcf" means billion cubic feet.

"BKV" means Banpu Kalnin Ventures.

"BLM" means the United States Bureau of Land Management.

"Boe" means barrel of oil equivalent. Gas proved reserves and production are converted to Boe, at the pressure and temperature base standard of each respective state in which the gas is produced, at the rate of six Mcf of gas per Bbl of oil, based upon the approximate relative energy content of gas and oil. Bitumen and NGL proved reserves and production are converted to Boe on a one-to-one basis with oil.

"Btu" means British thermal units, a measure of heating value.

"Canada" means the division of Devon encompassing oil and gas properties located in Canada. All dollar amounts associated with Canada are in U.S. dollars, unless stated otherwise.

"Catalyst" means Catalyst Midstream Partners, LLC.

"CDM" means Cotton Draw Midstream, L.L.C.

"DD&A" means depreciation, depletion and amortization expenses.

"EHS" mean environmental, health and safety.

"EPA" means the United States Environmental Protection Agency.

"ESG" means environmental, social and governance.

"Federal Funds Rate" means the interest rate at which depository institutions lend balances at the Federal Reserve to other depository institutions overnight.

"G&A" means general and administrative expenses.

"GAAP" means U.S. generally accepted accounting principles.

"GHG" means greenhouse gas.

"Inside FERC" refers to the publication *Inside F.E.R.C.'s Gas Market Report.*

"LIBOR" means London Interbank Offered Rate.

"LOE" means lease operating expenses.

"MBbls" means thousand barrels.

"MBoe" means thousand Boe.

"Mcf" means thousand cubic feet.

"Merger" means the merger of Merger Sub with and into WPX, with WPX continuing as the surviving corporation and a wholly-owned subsidiary of the Company, pursuant to the terms of the Merger Agreement.

"Merger Agreement" means that certain Agreement and Plan of Merger, dated September 26, 2020, by and among the Company, Merger Sub and WPX.

"Merger Sub" means East Merger Sub, Inc., a wholly-owned subsidiary of the Company.

“MMBbls” means million barrels.

“MMBoe” means million Boe.

“MMBtu” means million Btu.

“MMcf” means million cubic feet.

“N/M” means not meaningful.

“NGL” or “NGLs” means natural gas liquids.

“NYMEX” means New York Mercantile Exchange.

“NYSE” means New York Stock Exchange.

“OPEC” means Organization of the Petroleum Exporting Countries.

“SEC” means United States Securities and Exchange Commission.

“Senior Credit Facility” means Devon’s syndicated unsecured revolving line of credit, effective as of October 5, 2018.

“Standardized measure” means the present value of after-tax future net revenues discounted at 10% per annum.

“STEM” means science, technology, engineering and mathematics.

“S&P 500 Index” means Standard and Poor’s 500 index.

“TSR” means total shareholder return.

“U.S.” means United States of America.

“VIE” means variable interest entity.

“WPX” means WPX Energy, Inc.

“WTI” means West Texas Intermediate.

“/Bbl” means per barrel.

“/d” means per day.

“/MMBtu” means per MMBtu.

INFORMATION REGARDING FORWARD-LOOKING STATEMENTS

This report includes "forward-looking statements" within the meaning of the federal securities laws. Such statements include those concerning strategic plans, our expectations and objectives for future operations, as well as other future events or conditions, and are often identified by use of the words and phrases "expects," "believes," "will," "would," "could," "continue," "may," "aims," "likely to be," "intends," "forecasts," "projections," "estimates," "plans," "expectations," "targets," "opportunities," "potential," "anticipates," "outlook" and other similar terminology. All statements, other than statements of historical facts, included in this report that address activities, events or developments that Devon expects, believes or anticipates will or may occur in the future are forward-looking statements. Such statements are subject to a number of assumptions, risks and uncertainties, many of which are beyond our control. Consequently, actual future results could differ materially and adversely from our expectations due to a number of factors, including, but not limited to:

- the volatility of oil, gas and NGL prices;
- risks relating to the COVID-19 pandemic or other future pandemics;
- uncertainties inherent in estimating oil, gas and NGL reserves;
- the extent to which we are successful in acquiring and discovering additional reserves;
- regulatory restrictions, compliance costs and other risks relating to governmental regulation, including with respect to federal lands and environmental matters;
- risks related to climate change;
- the uncertainties, costs and risks involved in our operations, including as a result of employee misconduct;
- risks related to our hedging activities;
- counterparty credit risks;
- risks relating to our indebtedness;
- cyberattack risks;
- our limited control over third parties who operate some of our oil and gas properties;
- midstream capacity constraints and potential interruptions in production;
- the extent to which insurance covers any losses we may experience;
- competition for assets, materials, people and capital;
- risks related to investors attempting to effect change;
- our ability to successfully complete mergers, acquisitions and divestitures;
- our ability to pay dividends and make share repurchases; and
- any of the other risks and uncertainties discussed in this report.

The forward-looking statements included in this filing speak only as of the date of this report, represent management's current reasonable expectations as of the date of this filing and are subject to the risks and uncertainties identified above as well as those described elsewhere in this report and in other documents we file from time to time with the SEC. We cannot guarantee the accuracy of our forward-looking statements, and readers are urged to carefully review and consider the various disclosures made in this report and in other documents we file from time to time with the SEC. All subsequent written and oral forward-looking statements attributable to Devon, or persons acting on its behalf, are expressly qualified in their entirety by the cautionary statements above. We do not undertake, and expressly disclaim, any duty to update or revise our forward-looking statements based on new information, future events or otherwise.

PART I

Items 1 and 2. *Business and Properties*

General

A Delaware corporation formed in 1971 and publicly held since 1988, Devon (NYSE: DVN) is an independent energy company engaged primarily in the exploration, development and production of oil, natural gas and NGLs. Our operations are concentrated in various onshore areas in the U.S.

On January 7, 2021, Devon and WPX completed an all-stock merger of equals. WPX was an oil and gas exploration and production company with assets in the Delaware Basin in Texas and New Mexico and the Williston Basin in North Dakota. This merger enhanced the scale of our operations, built a leading position in the Delaware Basin and accelerated our cash-return business model that prioritizes free cash flow generation and the return of capital to shareholders. In accordance with the Merger Agreement, WPX shareholders received a fixed exchange of 0.5165 shares of Devon common stock for each share of WPX common stock owned. The combined company continues to operate under the name Devon. Our principal and administrative offices are located at 333 West Sheridan, Oklahoma City, OK 73102-5015 (telephone 405-235-3611).

Devon files or furnishes annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K, as well as any amendments to these reports, with the SEC. Through our website, www.devonenergy.com, we make available electronic copies of the documents we file or furnish to the SEC, the charters of the committees of our Board of Directors and other documents related to our corporate governance. The corporate governance documents available on our website include our Code of Ethics for Chief Executive Officer, Chief Financial Officer and Chief Accounting Officer, and any amendments to and waivers from any provision of that Code will also be posted on our website. Access to these electronic filings is available free of charge as soon as reasonably practicable after filing or furnishing them to the SEC. Printed copies of our committee charters or other governance documents and filings can be requested by writing to our corporate secretary at the address on the cover of this report. Reports filed with the SEC are also made available on its website at www.sec.gov.

Our Strategy

Our business strategy is focused on delivering a consistently competitive shareholder return among our peer group. Because the business of exploring for, developing and producing oil and natural gas is capital intensive, delivering sustainable, capital efficient cash flow growth is a key tenet to our success. While our cash flow is highly dependent on volatile and uncertain commodity prices, we pursue our strategy throughout all commodity price cycles with four fundamental principles.

Proven and responsible operator – We operate our business with the interests of our stakeholders and our ESG values in mind. With our vision to be a premier independent oil and natural gas exploration and production company, the work our employees do every day contributes to the local, national and global economies. We produce a valuable commodity that is fundamental to society, and we endeavor to do so in a safe, environmentally responsible and ethical way, while striving to deliver strong returns to our shareholders. We have an ongoing commitment to transparency in reporting our ESG performance. We continue to establish new environmental performance targets for our company and further incorporate ESG initiatives into our compensation structure.

Premier, sustainable portfolio of assets – As discussed in more detail later in this section of this Annual Report, we own a portfolio of assets located in the United States. We strive to own premier assets capable of generating cash flows in excess of our capital and operating requirements, as well as competitive rates of return. We also desire to own a portfolio of assets that can provide sustainable production extending many years into the future. As a result of our recent Merger and acquisition and divestiture activity, our oil production, price realizations and field-level margins have continued to improve as we continue to sharpen our focus on five U.S. oil and liquids plays located in the Delaware Basin, Anadarko Basin, Williston Basin, Eagle Ford and Powder River Basin.

Superior execution – As we pursue cash flow growth, we continually work to optimize the efficiency of our capital programs and production operations, with an underlying objective of reducing absolute and per unit costs and enhancing our returns. We also strive to leverage our culture of health, safety and environmental stewardship in all aspects of our business.

With the Merger and continuous improvement initiatives, we have built a scalable, multi-basin portfolio of U.S. oil assets and continue to aggressively improve our cost structure to further expand margins. We have realized annualized cost savings by reducing well costs, production expenses, financing costs and G&A costs.

Financial strength and flexibility – Commodity prices are uncertain and volatile, so we strive to maintain a strong balance sheet, as well as adequate liquidity and financial flexibility, in order to operate competitively in all commodity price cycles. Our capital allocation decisions are made with attention to these financial stewardship principles, as well as the priorities of funding our core

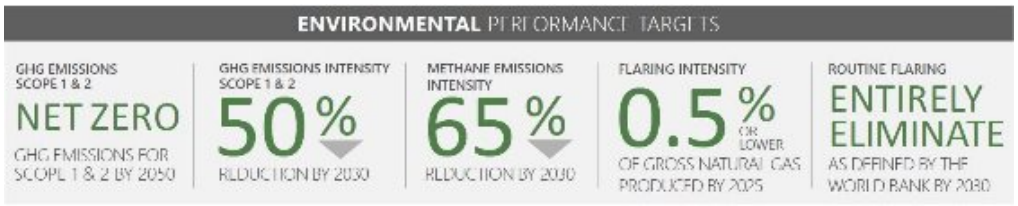
operations, protecting our investment-grade credit ratings, and paying and growing our shareholder dividend. While maintaining financial strength is a top priority, we remain committed to maximizing shareholder value which is evidenced by instituting our fixed plus variable dividend strategy and making opportunistic share repurchases.

Environmental, Social and Governance

Devon is focused on producing reliable, affordable and accessible energy the world needs, while continuing to find ways to produce and deliver it more responsibly. We consider the potential impacts of our operations when planning activities and making decisions. We strive to comply with all applicable environmental laws and regulations, often going above and beyond what is required. In the process, Devon incorporates technology, tools and techniques that enable us to minimize or avoid effects on air, water, land and wildlife. We are also evaluating opportunities to create value in the transition to ever-cleaner forms of energy, seeking to leverage our strengths and partnerships.

We have a strong organization in place to manage environmental performance, from our Board of Directors to our EHS/ESG leadership team and field-level EHS and operations teams. In recent years, we have updated our governance practices to elevate EHS and ESG oversight and discussion, including those related to climate change and the energy transition. In 2021, we renamed Devon's Board Governance Committee as the Governance, Environmental, and Public Policy Committee and expanded the Committee's Charter to, among other things, underscore environmental performance and integration of sustainability into our business activities. The Committee frequently reviews our environmental initiatives and is keenly interested in the operational measures, technological advancements, and other actions that the Company takes in advancing our status in this important area.

Devon has established environmental performance targets that reflect our dedication and commitment to providing affordable energy while achieving meaningful emissions reductions and pursuing our ultimate goal of net zero GHG emissions for Scope 1 and 2. Our GHG and methane targets shown below are calculated from a 2019 baseline.



Devon is also focused on conserving and reusing water and interacting with our value chain on our overall environmental goals. We have set a target to advance our recycled water rate and use 90% or more non-freshwater for completions activities in our most active operating areas within the Delaware Basin. Devon is also actively engaged with our stakeholders upstream and downstream of our operations to improve ESG performance across our value chain. We are confident we can deliver strong operational and financial results in a manner that reduces our environmental impact while safeguarding our workforce and the communities in which we operate.

Human Capital

Delivering strong operational and financial results in a safe, environmentally and socially responsible way requires the expertise and positive contributions of every Devon employee. Consequently, our people are the Company's most important resource and we seek to hire the best people who share our core values of integrity, relationships, courage and results. To develop our workforce, we focus on training, safety, wellness, inclusion, diversity and equality. As of December 31, 2021, Devon and its consolidated subsidiaries had approximately 1,600 employees, all located in the U.S.

Employee Safety and Wellness

We prepare our workforce to work safely with comprehensive training and orientation, on-the-job guidance and tools, safety engagements, recognition and other resources. Employees and contractors are expected to comply with safety rules and regulations and are accountable for stopping at-risk work, immediately reporting incidents and near-miss events and informing visitors of emergency alarms and evacuation plans. To safeguard workers on our well sites and neighbors nearby, we plan, design, drill, complete and produce wells using proven best practices, technologies, tools and materials.

In response to the COVID-19 pandemic, we formally established a COVID-19 team focused on developing and implementing a number of safety measures to help our employees manage their work and personal responsibilities, with a strong focus on employee well-being, health and safety. The COVID-19 team established an information campaign to provide employees an understanding of the virus risk factors and safety measures, as well as timely updates from governmental regulations.

Beyond employee safety, Devon also prioritizes the physical, mental and financial wellness of our employees. We offer competitive health and financial benefits with incentives designed to promote well-being, including an Employee Assistance Program ("EAP") that provides virtual counseling services for employees and their family members free of charge. Access to experienced counselors, financial experts, staff attorneys, elder-care consultants and concierge services is included in EAP services available 365 days a year, 24 hours a day. Devon encourages employees to take advantage of our wellness programs and activities by getting an annual physical exam, attending preventive health screenings and completing a financial wellness series at no cost to employees.

Employee Compensation, Benefits and Development

We strive to attract and retain high-performing individuals across our workforce. One way we do this is by providing competitive compensation and benefits, including annual bonuses; a 401(k) savings plan with a Devon contribution up to 14% of the employee's earnings; stock awards for all employees; medical, dental and vision health care coverage; health savings and dependent-care flexible spending accounts; maternity and parental leave for the birth or adoption of a child; an adoption assistance program; alternate work schedules; flexible work hours; part-time work options; and telecommuting support; among other benefits.

Devon also looks to our core values to build the workforce we need. We develop our employees' knowledge and creativity and advance continual learning and career development through ongoing performance, training and development conversations.

Diversity, Equity and Inclusion

Devon's success depends on employees who demonstrate integrity, accountability, perseverance and a passion for building our business and delivering results. Our efforts to create a workforce with these qualities start with offering equal opportunity in all aspects of employment. We do this with company policies and leadership commitment, and by providing employees opportunities to help shape Devon's diversity, equity and inclusion direction and actions.

We strive to demonstrate inclusion, equity and diversity throughout the Company to bring a range of thoughts, experiences and points of view to our problem-solving and decision-making. Along with senior leadership efforts, Devon's Diversity, Equity and Inclusion ("DEI") Team works to proactively increase diversity and inclusion awareness, identify challenges and find innovative ways to achieve Devon's inclusion and diversity vision and priorities. In 2021, our workforce was comprised of 24% females and 22% minorities. Along with our workforce efforts, we invest in DEI through community partnerships. One way we are achieving this is by creating STEM centers in elementary schools in the areas in which we operate. Devon has helped open more than 100 STEM centers that orient children of all backgrounds to skills that will be essential for the future workforce. In 2021, Devon awarded nine Inclusion and Equity Grants, ranging from $5,000 to $25,000 to nine diverse community organizations throughout Oklahoma City. This program plans to expand in 2022 to reach additional organizations across more of the Company's operational areas.

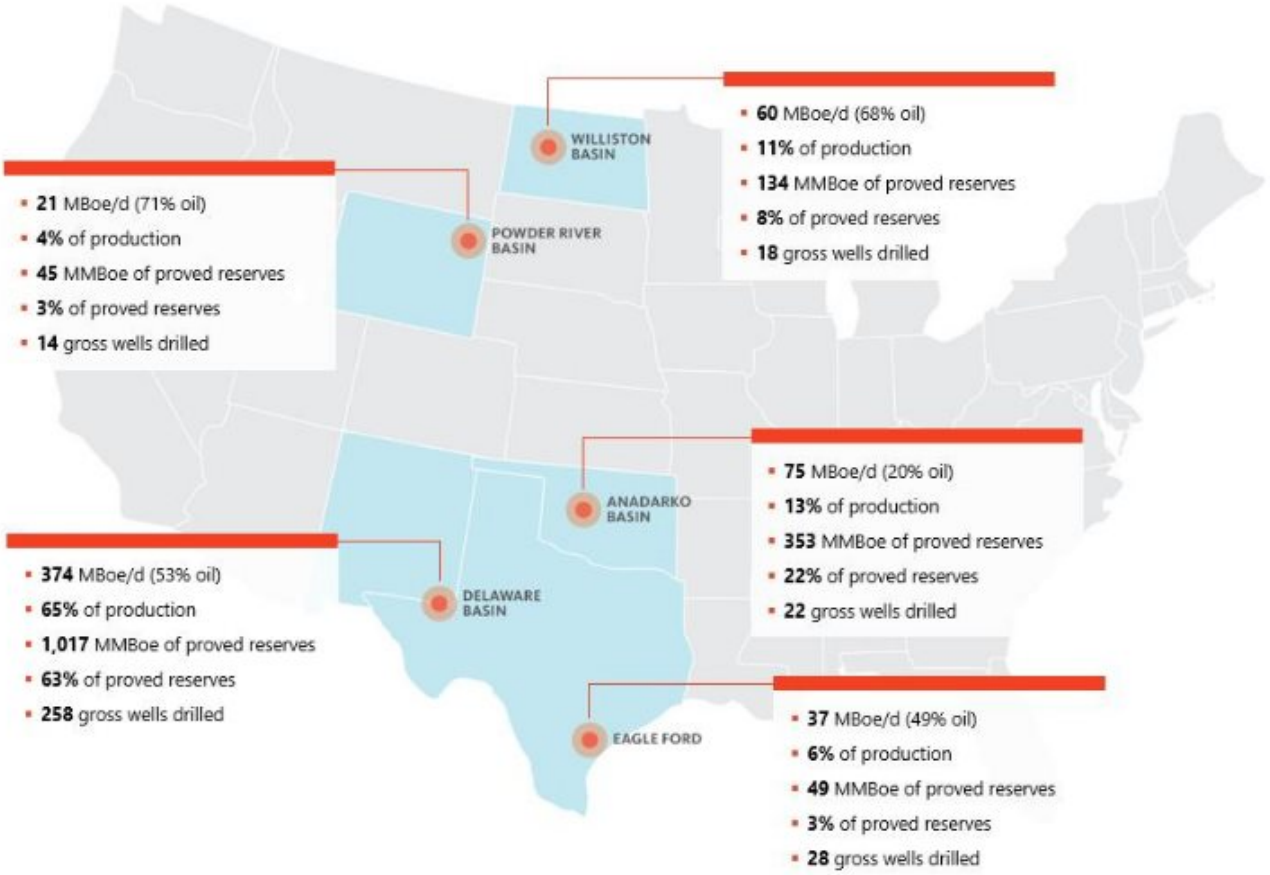
Compliance Culture

We reinforce the high expectations we have for ethical conduct by our employees through our Code of Business Conduct and Ethics ("Code"). The Code sets out basic principles for all employees to follow and incorporates specific guidance on critical areas such as our prohibition of harassment and discrimination, our protocols for avoiding conflicts of interest and our policies related to anti-corruption laws, privacy, cybersecurity and confidential information. On an annual basis, Devon employees, as well as our directors and officers, are required to acknowledge and agree to abide by our Code and complete a training course on the Code and its related policies. We encourage our employees to help enforce the Code and maintain reporting systems that are designed to minimize concerns that reports will result in retaliation.

Oil and Gas Properties

Property Profiles

Key summary data from each of our areas of operation as of and for the year ended December 31, 2021 are detailed in the map below.



Delaware Basin – The Delaware Basin is our most active program in the portfolio. We acquired additional acreage in the Delaware Basin through the Merger, creating an industry leading position in this basin. Through capital efficient drilling programs, it offers exploration and low-risk development opportunities from many geologic reservoirs and play types, including the oil-rich Wolfcamp, Bone Spring, Avalon and Delaware formations. With a significant inventory of oil and liquids-rich drilling opportunities that have multi-zone development potential, Devon has a robust platform to deliver high-margin drilling programs for many years to come. At December 31, 2021, we had 13 operated rigs developing this asset in the Wolfcamp, Bone Spring and Avalon formations. The Delaware Basin is our top funded asset and is expected to receive approximately 75% of our capital allocation in 2022.

Anadarko Basin – Our Anadarko Basin development, located primarily in Oklahoma's Canadian, Kingfisher and Blaine counties, provides long-term optionality through its significant inventory. Our Anadarko Basin position is one of the largest in the industry, providing visible long-term production. We have an agreement with Dow to jointly develop a portion of our Anadarko Basin acreage and, as of December 31, 2021, we had a two operated rig program associated with this joint venture. Dow will fund approximately 65% of the partnership capital requirements through a remaining drilling carry of approximately $65 million over the next three years.

Williston Basin – We acquired our position in the Williston Basin through the Merger in 2021. It is located entirely on the Fort Berthold Indian Reservation, and its operations are focused in the oil-prone Bakken and Three Forks formations. The Williston Basin

is a high-margin oil resource located in the core of the play and generated substantial cash flow in 2021. At December 31, 2021, we had one operated rig developing this asset.

Eagle Ford – Our Eagle Ford operations are located in DeWitt County, Texas, situated in the economic core of the play. Its production is leveraged to oil and has low-cost access to premium Gulf Coast pricing, providing for strong operating margins.

Powder River Basin – This asset is focused on emerging oil opportunities in the Powder River Basin. We are currently targeting several Cretaceous oil objectives, including the Turner, Parkman, Teapot and Niobrara formations. At December 31, 2021, we had one operated rig developing this asset.

Proved Reserves

Proved oil and gas reserves are those quantities of oil, gas and NGLs which can be estimated with reasonable certainty to be economically producible from known reservoirs under existing economic conditions, operating methods and government regulations. To be considered proved, oil and gas reserves must be economically producible before contracts providing the right to operate expire, unless evidence indicates that renewal is reasonably certain. Also, the project to extract the hydrocarbons must have commenced or the operator must be reasonably certain that it will commence within a reasonable time. We establish our proved reserves estimates using standard geological and engineering technologies and computational methods, which are generally accepted by the petroleum industry. We primarily prepare our proved reserves additions by analogy using type curves that are based on decline curve analysis of wells in analogous reservoirs. We further establish reasonable certainty of our proved reserves estimates by using one or more of the following methods: geological and geophysical information to establish reservoir continuity between penetrations, rate-transient analysis, analytical and numerical simulations, or other proprietary technical and statistical methods. For estimates of our proved developed and proved undeveloped reserves and the discussion of the contribution by each property, see Note 22 in "Item 8. Financial Statements and Supplementary Data" of this report.

The process of estimating oil, gas and NGL reserves is complex and requires significant judgment, as discussed in "Item 1A. Risk Factors" of this report. As a result, we have developed internal policies for estimating and recording reserves in compliance with applicable SEC definitions and guidance. Our policies assign responsibilities for compliance in reserves bookings to our Reserve Evaluation Group (the "Group"). The Group, which is led by Devon's Manager of Reserves and Economics, is responsible for the internal review and certification of reserves estimates. We ensure the Manager and key members of the Group have appropriate technical qualifications to oversee the preparation of reserves estimates and are independent of the operating groups. The Manager of the Group has over 15 years of industry experience, a degree in engineering and is a registered professional engineer. The Group also oversees audits and reserves estimates performed by a qualified third-party petroleum consulting firm. During 2021, we engaged LaRoche Petroleum Consultants, Ltd. to audit approximately 88% of our proved reserves. Additionally, our Board of Directors has a Reserves Committee that provides additional oversight of our reserves process. The committee consists of five independent members of our Board of Directors who collectively have skills and backgrounds that are relevant to the reserves estimation processes, reporting systems and disclosure requirements.

The following tables present production, price and cost information for each significant field in our asset portfolio and the total company.

	Production			
Year Ended December 31,	**Oil (MMBbls)**	**Gas (Bcf)**	**NGLs (MMBbls)**	**Total (MMBoe)**
2021				
Delaware Basin	72	195	32	136
Anadarko Basin	5	79	9	27
Total	106	325	48	209
2020				
Delaware Basin	31	91	13	60
Anadarko Basin	7	92	10	33
Total	57	221	29	122
2019				
Delaware Basin	26	65	10	46
Anadarko Basin	11	114	13	43
Total	55	219	28	119

Year Ended December 31,	Average Sales Price			Production Cost (Per Boe) [1]
	Oil (Per Bbl)	Gas (Per Mcf)	NGLs (Per Bbl)	
2021				
Delaware Basin	$ 66.67	$ 3.47	$ 30.02	$ 5.97
Anadarko Basin	$ 66.29	$ 3.80	$ 29.73	$ 9.26
Total	$ 65.98	$ 3.40	$ 29.52	$ 7.02
2020				
Delaware Basin	$ 37.25	$ 1.08	$ 10.64	$ 5.76
Anadarko Basin	$ 35.80	$ 1.66	$ 12.11	$ 9.61
Total	$ 35.95	$ 1.48	$ 11.72	$ 7.66
2019				
Delaware Basin	$ 54.01	$ 0.99	$ 13.54	$ 6.43
Anadarko Basin	$ 55.13	$ 1.97	$ 15.90	$ 7.36
Total	$ 54.73	$ 1.79	$ 15.21	$ 7.75

(1) Represents production expense per Boe excluding production and property taxes.

Drilling Statistics

The following table summarizes our development and exploratory drilling results. We did not have any dry development or exploratory wells drilled for the years 2021, 2020 or 2019.

Year Ended December 31,	Development Wells [1]	Exploratory Wells [1]	Total Wells [1]
	Productive	Productive	Total
2021 [2]	236.3	18.8	255.1
2020	106.5	26.6	133.2
2019	161.7	27.2	188.9

(1) Well counts represent net wells completed during each year. Gross wells are the sum of all wells in which we own a working interest. Net wells are gross wells multiplied by our fractional working interests in each well.

(2) As of December 31, 2021, there were 137 gross and 105.7 net wells that have been spud and are in the process of drilling, completing or waiting on completion.

Productive Wells

The following table sets forth our producing wells as of December 31, 2021.

	Oil Wells		Natural Gas Wells		Total Wells	
	Gross [1][3]	Net [2]	Gross [1][3]	Net [2]	Gross [1][3]	Net [2]
Total	10,012	3,298	3,420	1,410	13,432	4,708

(1) Gross wells are the sum of all wells in which we own a working interest.
(2) Net wells are gross wells multiplied by our fractional working interests in each well.
(3) Includes 32 and 46 gross oil and gas wells, respectively, which had multiple completions.

The day-to-day operations of oil and gas properties are the responsibility of an operator designated under pooling or operating agreements. The operator supervises production, maintains production records, employs field personnel and performs other functions. We are the operator of approximately 5,134 gross wells. As operator, we receive reimbursement for direct expenses incurred to perform our duties, as well as monthly per-well producing, drilling and construction overhead reimbursement at rates customarily charged in the respective areas. In presenting our financial data, we record the monthly overhead reimbursements as a reduction of G&A, which is a common industry practice.

Acreage Statistics

The following table sets forth our developed and undeveloped lease and mineral acreage as of December 31, 2021. Of our 1.9 million net acres, approximately 1.2 million acres are held by production. The acreage in the table below does not include any

material net acres subject to leases that are scheduled to expire during 2022, 2023 and 2024. For the net acres that are set to expire by December 31, 2024, we anticipate performing operational and administrative actions to continue the lease terms for portions of the acreage that we intend to further assess. However, we do expect to allow a portion of the acreage to expire in the normal course of business. Less than 20% of our total net acres are located on federal lands.

	Developed		Undeveloped		Total	
	Gross (1)	Net (2)	Gross (1)	Net (2)	Gross (1)	Net (2)
	(Thousands)					
Total	1,177	665	3,102	1,281	4,279	1,946

(1) Gross acres are the sum of all acres in which we own a working interest.
(2) Net acres are gross acres multiplied by our fractional working interests in the acreage.

Title to Properties

Title to properties is subject to contractual arrangements customary in the oil and gas industry, liens for taxes not yet due and, in some instances, other encumbrances. We believe that such burdens do not materially detract from the value of properties or from the respective interests therein or materially interfere with their use in the operation of the business.

As is customary in the industry, a preliminary title investigation, typically consisting of a review of local title records, is made at the time of acquisitions of undeveloped properties. More thorough title investigations, which generally include a review of title records and the preparation of title opinions by outside legal counsel, are made prior to the consummation of an acquisition of producing properties and before commencement of drilling operations on undeveloped properties.

Marketing Activities

Oil, Gas and NGL Marketing

The spot markets for oil, gas and NGLs are subject to volatility as supply and demand factors fluctuate. As detailed below, we sell our production under both long-term (one year or more) and short-term (less than one year) agreements at prices negotiated with third parties. Regardless of the term of the contract, the vast majority of our production is sold at variable, or market-sensitive, prices.

Additionally, we may enter into financial hedging arrangements or fixed-price contracts associated with a portion of our oil, gas and NGL production. These activities are intended to support targeted price levels and to manage our exposure to price fluctuations. See Note 3 in "Item 8. Financial Statements and Supplementary Data" of this report for further information.

As of January 2022, our production was sold under the following contract terms.

	Short-Term		Long-Term	
	Variable	Fixed	Variable	Fixed
Oil	39%	—	61%	—
Natural gas	52%	3%	45%	—
NGLs	72%	16%	12%	—

Delivery Commitments

A portion of our production is sold under certain contractual arrangements that specify the delivery of a fixed and determinable quantity. As of December 31, 2021, we were committed to deliver the following fixed quantities of production.

	Total	Less Than 1 Year	1-3 Years	3-5 Years	More Than 5 Years
Oil (MMBbls)	74	26	23	22	3
Natural gas (Bcf)	462	101	110	87	164
NGLs (MMBbls)	11	11	—	—	—
Total (MMBoe)	162	54	42	36	30

We expect to fulfill our delivery commitments primarily with production from our proved developed reserves. Moreover, our proved reserves have generally been sufficient to satisfy our delivery commitments during the three most recent years, and we expect such reserves will continue to be the primary means of fulfilling our future commitments. However, where our proved reserves are not sufficient to satisfy our delivery commitments, we can and may use spot market purchases to satisfy the commitments.

Competition

See "Item 1A. Risk Factors."

Public Policy and Government Regulation

Our industry is subject to a wide range of regulations. Laws, rules, regulations, taxes, fees and other policy implementation actions affecting our industry have been pervasive and are under constant review for amendment or expansion. Numerous government agencies have issued extensive regulations which are binding on our industry and its individual members, some of which carry substantial penalties for failure to comply. These laws and regulations increase the cost of doing business and consequently affect profitability. Because public policy changes are commonplace, and changes to existing laws and regulations are frequently proposed or implemented, we are unable to predict the future cost or impact of compliance. However, we do not expect that any of these laws and regulations will affect our operations materially differently than they would affect other companies with similar operations, size and financial strength. The following are significant areas of government control and regulation affecting our operations.

Exploration and Production Regulation

Our operations are subject to various federal, state, tribal and local laws and regulations relating to exploration and production activities, including with respect to:

- acquisition of seismic data;
- location, drilling and casing of wells;
- well design;
- hydraulic fracturing;
- well production;
- spill prevention plans;
- emissions and discharge permitting;
- use, transportation, storage and disposal of fluids and materials incidental to oil and gas operations;
- surface usage and the restoration of properties upon which wells have been drilled;
- calculation and disbursement of royalty payments and production taxes;
- plugging and abandoning of wells;
- transportation of production; and
- endangered species and habitat.

Our operations also are subject to conservation regulations, including the regulation of the size of drilling and spacing units or proration units; the number of wells that may be drilled in a unit; the rate of production allowable from oil and gas wells; and the unitization or pooling of oil and gas properties. Some states allow the forced pooling or unitization of tracts to facilitate exploration and development, while other states rely on voluntary pooling of lands and leases. Such rules may impact the ultimate timing of our exploration and development plans. In addition, federal and state conservation laws generally limit the venting or flaring of natural gas, and state conservation laws impose certain requirements regarding the ratable purchase of production. These regulations limit the amounts of oil and gas we can produce from our wells and the number of wells or the locations at which we can drill.

Certain of our leases are granted or approved by the federal government and administered by the BLM or Bureau of Indian Affairs of the Department of the Interior. Such leases require compliance with detailed federal regulations and orders that regulate, among other matters, drilling and operations on lands covered by these leases and calculation and disbursement of royalty payments to the federal government, tribes or tribal members. Moreover, the permitting process for oil and gas activities on federal and Indian lands can sometimes be subject to delay, which can hinder development activities or otherwise adversely impact operations. The

federal government has, from time to time, evaluated and, in some cases, promulgated new rules and regulations regarding competitive lease bidding, venting and flaring, oil and gas measurement and royalty payment obligations for production from federal lands.

Environmental, Pipeline Safety and Occupational Regulations

We strive to conduct our operations in a socially and environmentally responsible manner, which includes compliance with applicable law. We are subject to many federal, state, tribal and local laws and regulations concerning occupational safety and health as well as the discharge of materials into, and the protection of, the environment and natural resources. Environmental, health and safety laws and regulations relate to:

- the discharge of pollutants into federal and state waters;
- assessing the environmental impact of seismic acquisition, drilling or construction activities;
- the generation, storage, transportation and disposal of waste materials, including hazardous substances and wastes;
- the emission of methane and certain other gases into the atmosphere;
- the monitoring, abandonment, reclamation and remediation of well and other sites, including sites of former operations;
- the development of emergency response and spill contingency plans;
- the monitoring, repair and design of pipelines used for the transportation of oil and natural gas;
- the protection of threatened and endangered species; and
- worker protection.

Failure to comply with these laws and regulations can lead to the imposition of remedial liabilities, administrative, civil or criminal fines or penalties or injunctions limiting our operations in affected areas. Moreover, multiple environmental laws provide for citizen suits, which can allow environmental organizations to sue operators for alleged violations of environmental law. Environmental organizations also can assert legal and administrative challenges to certain actions of oil and gas regulators, such as the BLM, for allegedly failing to comply with environmental laws, which can result in delays in obtaining permits or other necessary authorizations. In recent years, federal and state policy makers and regulators have increasingly implemented or proposed new laws and regulations designed to reduce methane emissions and other GHG, which have included mandates for new leak detection and retrofitting requirements, stricter emission standards and a proposed fee on methane emission leaks. For example, in November 2021, the Pipeline and Hazardous Materials Safety Administration issued a final rule significantly expanding reporting and safety requirements for operators of gas gathering pipelines, including previously unregulated pipelines.

Environmental protection and health and safety compliance are necessary parts of our business that we historically have been able to plan for and comply with without materially altering our operating strategy or incurring significant unreimbursed expenditures. However, based on regulatory trends and increasingly stringent laws and permitting requirements, our capital expenditures and operating expenses related to the protection of the environment and safety and health compliance have increased over the years and may continue to increase.

Item 1A. ***Risk Factors***

Our business and operations, and our industry in general, are subject to a variety of risks. The risks described below may not be the only risks we face, as our business and operations may also be subject to risks that we do not yet know of, or that we currently believe are immaterial. If any of the following risks should occur, our business, financial condition, results of operations and liquidity could be materially and adversely impacted. As a result, holders of our securities could lose part or all of their investment in Devon.

Volatile Oil, Gas and NGL Prices Significantly Impact Our Business

Our financial condition, results of operations and the value of our properties are highly dependent on the general supply and demand for oil, gas and NGLs, which impact the prices we ultimately realize on our sales of these commodities. Historically, market prices and our realized prices have been volatile. For example, over the last five years, monthly NYMEX WTI oil and NYMEX Henry Hub gas prices ranged from highs of over $80 per Bbl and $6.00 per MMBtu, respectively, to lows of under $30 per Bbl and $1.50 per MMBtu, respectively. Such volatility is likely to continue in the future due to numerous factors beyond our control, including, but not limited to:

- the domestic and worldwide supply of and demand for oil, gas and NGLs;
- volatility and trading patterns in the commodity-futures markets;
- climate change incentives and conservation and environmental protection efforts;
- production levels of members of OPEC, Russia, the U.S. or other producing countries;
- geopolitical risks, including political and civil unrest in the Middle East, Africa, Europe and South America;
- adverse weather conditions, natural disasters, public health crises and other catastrophic events, such as tornadoes, earthquakes, hurricanes and epidemics of infectious diseases;
- regional pricing differentials, including in the Delaware Basin and other areas of our operations;
- differing quality of production, including NGL content of gas produced;
- the level of imports and exports of oil, gas and NGLs and the level of global oil, gas and NGL inventories;
- the price and availability of alternative energy sources;
- technological advances affecting energy consumption and production, including with respect to electric vehicles;
- stockholder activism or activities by non-governmental organizations to restrict the exploration and production of oil and natural gas in order to reduce GHG emissions;
- the overall economic environment;
- changes in trade relations and policies, including restrictions on oil, gas and NGL exports by the U.S., Russia or other producing countries, as well as the imposition of tariffs by the U.S. or China; and
- other governmental regulations and taxes.

Our Business Has Been Adversely Impacted by the COVID-19 Pandemic, and We May Experience Continuing or Worsening Adverse Effects From This or Other Pandemics

The COVID-19 pandemic and related economic repercussions have created significant volatility, uncertainty and turmoil in the oil and gas industry. The pandemic and the related responses of governmental authorities and others to limit the spread of the virus significantly reduced global economic activity, which resulted in an unprecedented decline in the demand for oil and other commodities during 2020. This decline contributed to a swift and material deterioration in commodity prices in early 2020. Although commodity prices subsequently recovered, COVID-19 or its variants may lead to similar protracted periods of depressed commodity prices, which in turn could have significant adverse consequences for our financial condition and liquidity. Moreover, the COVID-19 pandemic has contributed to disruption and volatility in our supply chain, which has resulted, and may continue to result, in increased costs and delays for pipe and other materials needed for our operations.

The COVID-19 pandemic and related restrictions aimed at mitigating its spread have caused us and our service providers to modify certain of our business practices. There is no certainty that these or any other future measures will be sufficient to mitigate the risks posed by the virus, including the risk of infection of key employees. Our operations also may be adversely affected if we or our service providers are unable to retain sufficient personnel or such personnel are unable to work effectively, including because of

illness, quarantines, government actions or other restrictions in connection with the pandemic. Moreover, our ability to perform certain functions could be disrupted or otherwise impaired by new business practices arising from the pandemic. For example, our reliance on technology has necessarily increased due to the encouragement of remote communications and other social-distancing practices, which could make us more vulnerable to cyber attacks.

The COVID-19 pandemic and its related effects continue to evolve. The ultimate extent of the impact of the COVID-19 pandemic and any other future pandemic on our business will depend on future developments, including, but not limited to, the nature, duration and spread of the virus, the vaccination and other responsive actions to stop its spread or address its effects and the duration, timing and severity of the related consequences on commodity prices and the economy more generally. Any extended period of depressed commodity prices or general economic disruption as a result of a pandemic would adversely affect our business, financial condition and results of operations.

Estimates of Oil, Gas and NGL Reserves Are Uncertain and May Be Subject to Revision

The process of estimating oil, gas and NGL reserves is complex and requires significant judgment in the evaluation of available geological, engineering and economic data for each reservoir, particularly for new discoveries. Because of the high degree of judgment involved, different reserve engineers may develop different estimates of reserve quantities and related revenue based on the same data. In addition, the reserve estimates for a given reservoir may change substantially over time as a result of several factors, including additional development and appraisal activity, the viability of production under varying economic conditions, including commodity price declines, and variations in production levels and associated costs. Consequently, material revisions to existing reserves estimates may occur as a result of changes in any of these factors. Such revisions to proved reserves could have an adverse effect on our financial condition and the value of our properties, as well as the estimates of our future net revenue and profitability. Our policies and internal controls related to estimating and recording reserves are included in “Items 1 and 2. Business and Properties” of this report.

Discoveries or Acquisitions of Reserves Are Needed to Avoid a Material Decline in Reserves and Production, and Such Activities Are Capital Intensive

The production rates from oil and gas properties generally decline as reserves are depleted, while related per unit production costs generally increase due to decreasing reservoir pressures and other factors. Moreover, our current development activity is focused on unconventional oil and gas assets, which generally have significantly higher decline rates as compared to conventional assets. Therefore, our estimated proved reserves and future oil, gas and NGL production will decline materially as reserves are produced unless we conduct successful exploration and development activities, such as identifying additional producing zones in existing wells, utilizing secondary or tertiary recovery techniques or acquiring additional properties containing proved reserves. Consequently, our future oil, gas and NGL production and related per unit production costs are highly dependent upon our level of success in finding or acquiring additional reserves.

Our business requires significant capital to find and acquire new reserves. Although we plan to primarily fund these activities from cash generated by our operations, we have also from time to time relied on other sources of capital, including by accessing the debt and equity capital markets. There can be no assurance that these or other financing sources will be available in the future on acceptable terms, or at all. If we are unable to generate sufficient funds from operations or raise additional capital for any reason, we may be unable to replace our reserves, which would adversely affect our business, financial condition and results of operations.

We Are Subject to Extensive Governmental Regulation, Which Can Change and Could Adversely Impact Our Business

Our operations are subject to extensive federal, state, tribal and local laws, rules and regulations, including with respect to environmental matters, worker health and safety, wildlife conservation, the gathering and transportation of oil, gas and NGLs, conservation policies, reporting obligations, royalty payments, unclaimed property and the imposition of taxes. Such regulations include requirements for permits to drill and to conduct other operations and for provision of financial assurances (such as bonds) covering drilling, completion and well operations and decommissioning obligations. If permits are not issued, or if unfavorable restrictions or conditions are imposed on our drilling or completion activities, we may not be able to conduct our operations as planned. In addition, we may be required to make large expenditures to comply with applicable governmental laws, rules, regulations, permits or orders. For example, certain regulations require the plugging and abandonment of wells and removal of production facilities by current and former operators, including corporate successors of former operators. These requirements may result in significant costs associated with the removal of tangible equipment and other restorative actions.

In addition, changes in public policy have affected, and in the future could further affect, our operations. For example, President Biden and certain members of his administration and Congress have expressed support for, and have taken steps to implement, efforts to transition the economy away from fossil fuels and to promote stricter environmental regulations, and such proposals could impose new and more onerous burdens on our industry and business. These and other regulatory and public policy developments could, among other things, restrict production levels, delay necessary permitting, impose price controls, change environmental protection requirements, impose restrictions on pipelines or other necessary infrastructure and increase taxes, royalties and other amounts payable to governments or governmental agencies. Our operating and other compliance costs could increase further if existing laws and regulations are revised or reinterpreted, or if new laws and regulations become applicable to our operations. In addition, changes in public policy may indirectly impact our operations by, among other things, increasing the cost of supplies and equipment and fostering general economic uncertainty. Although we are unable to predict changes to existing laws and regulations, such changes could significantly impact our profitability, financial condition and liquidity, particularly changes related to the matters discussed in more detail below.

Federal Lands – President Biden and certain members of his administration have expressed support for, and have taken steps to implement, additional regulation of oil and gas leasing and permitting on federal lands. For example, President Biden issued an executive order in January 2021 directing the Secretary of the Interior to pause on entering new oil and gas leases on public lands to the extent possible and to launch a rigorous review of all existing leasing and permitting practices related to fossil fuel development on public lands. Although the pause on leasing was lifted in June 2021, the Department of the Interior subsequently issued its report on the federal leasing program in November 2021. The report recommended various changes to the program, including, among other things, increasing royalty and rental rates, enhancing bonding requirements and applying a more rigorous land-use planning process prior to leasing. However, certain of the report's recommendations require Congressional actions, and we cannot predict to what extent, if any, the Department of the Interior may be able to promulgate rules implementing the recommendations of the November 2021 report. While it is not possible at this time to predict the ultimate impact of these or any other future regulatory changes, any additional restrictions or burdens on our ability to operate on federal lands could adversely impact our business in the Delaware and Powder River Basins, as well as other areas where we operate under federal leases. As of December 31, 2021, less than 20% of our total leasehold resides on federal lands, which is primarily located in the Delaware and Powder River Basins.

Hydraulic Fracturing – Various federal agencies have asserted regulatory authority over certain aspects of the hydraulic fracturing process. For example, the EPA has issued regulations under the federal Clean Air Act establishing performance standards for oil and gas activities, including standards for the capture of air emissions released during hydraulic fracturing, and it finalized in 2016 regulations that prohibit the discharge of wastewater from hydraulic fracturing operations to publicly owned wastewater treatment plants. The EPA also released a report in 2016 finding that certain aspects of hydraulic fracturing, such as water withdrawals and wastewater management practices, could result in impacts to water resources in certain circumstances. The BLM previously finalized regulations to regulate hydraulic fracturing on federal lands but subsequently issued a repeal of those regulations in 2017. Moreover, several states in which we operate have adopted, or stated intentions to adopt, laws or regulations that mandate further restrictions on hydraulic fracturing, such as requiring disclosure of chemicals used in hydraulic fracturing, imposing more stringent permitting, disclosure and well-construction requirements on hydraulic fracturing operations and establishing standards for the capture of air emissions released during hydraulic fracturing. In addition to state laws, local land use restrictions, such as city ordinances, may restrict drilling in general or hydraulic fracturing in particular.

Beyond these regulatory efforts, various policy makers, regulatory agencies and political leaders at the federal, state and local levels have proposed implementing even further restrictions on hydraulic fracturing, including prohibiting the technology outright. Although it is not possible at this time to predict the outcome of these or other proposals, any new restrictions on hydraulic fracturing that may be imposed in areas in which we conduct business could potentially result in increased compliance costs, delays or cessation in development or other restrictions on our operations.

Environmental Laws Generally – In addition to regulatory efforts focused on hydraulic fracturing, we are subject to various other federal, state, tribal and local laws and regulations relating to discharge of materials into, and protection of, the environment. These laws and regulations may, among other things, impose liability on us for the cost of remediating pollution that results from our operations or prior operations on assets we have acquired. Environmental laws may impose strict, joint and several liability, and failure to comply with environmental laws and regulations can result in the imposition of administrative, civil or criminal fines and penalties, as well as injunctions limiting operations in affected areas. Any future environmental costs of fulfilling our commitments to the environment are uncertain and will be governed by several factors, including future changes to regulatory requirements. Any such changes could have a significant impact on our operations and profitability.

Seismic Activity – Earthquakes in northern and central Oklahoma, southeastern New Mexico, western Texas and elsewhere have prompted concerns about seismic activity and possible relationships with the oil and gas industry, particularly the disposal of wastewater in salt-water disposal wells. Legislative and regulatory initiatives intended to address these concerns may result in additional levels of regulation or other requirements that could lead to operational delays, increase our operating and compliance costs

or otherwise adversely affect our operations. For example, New Mexico implemented protocols in November 2021 requiring operators to take various actions with respect to salt-water disposal wells within a specified proximity of certain seismic activity, including a requirement to limit injection rates if the seismic event is of a certain magnitude. Separately, the Railroad Commission of Texas recently imposed limits on certain salt-water disposal well activities in portions of the Midland Basin. These or similar actions directed at our operating areas could limit the takeaway capacity for produced water in the impacted area, which could increase our operating expense, require us to curtail our development plans or otherwise adversely impact our operations. In addition, we are currently defending against certain third-party lawsuits and could be subject to additional claims, seeking alleged property damages or other remedies as a result of alleged induced seismic activity in our areas of operation.

Changes to Tax Laws – We are subject to U.S. federal income tax as well as income or capital taxes in various state and foreign jurisdictions, and our operating cash flow is sensitive to the amount of income taxes we must pay. In the jurisdictions in which we operate or previously operated, income taxes are assessed on our earnings after consideration of all allowable deductions and credits. Changes in the types of earnings that are subject to income tax, the types of costs that are considered allowable deductions (such as intangible drilling costs) and the timing of such deductions, or the rates assessed on our taxable earnings would all impact our income taxes and resulting operating cash flow. In addition, new taxes are from time to time proposed (such as minimum taxes on net book income) and, if enacted, could adversely impact us.

Climate Change and Related Regulatory, Social and Market Actions May Adversely Affect Our Business

Continuing and increasing political and social attention to the issue of climate change has resulted in legislative, regulatory and other initiatives, including international agreements, to reduce GHG emissions, such as carbon dioxide and methane. Policy makers and regulators at both the U.S. federal and state levels have already imposed, or stated intentions to impose, laws and regulations designed to quantify and limit the emission of GHG. For example, the EPA proposed rules in November 2021 that if adopted would, among other things, (i) broaden methane and volatile organic compounds emission reduction requirements for certain oil and gas facilities, including a zero-emission standard for pneumatic controllers, and (ii) impose standards to eliminate venting of associated gas, and require capture and sale of gas where sale line is available, at new and existing oil wells. The EPA plans to issue a supplemental proposal in 2022 containing additional requirements not included in the November 2021 proposed rule and anticipates the issuance of a final rule by the end of the year. Congress also recently considered legislation that included a proposal to apply a fee on certain methane emissions from oil and gas facilities, although the fate of this "methane fee" is uncertain at this time. In addition to these federal efforts, several states where we operate, including New Mexico, Texas and Wyoming, have already imposed, or stated intentions to impose, laws or regulations designed to reduce methane emissions from oil and gas exploration and production activities, including by mandating new leak detection and retrofitting requirements. With respect to more comprehensive regulation, policy makers and political leaders have made, or expressed support for, a variety of proposals, such as the development of cap-and-trade or carbon tax programs. In addition, President Biden has highlighted addressing climate change as a priority of his administration, and he previously released an energy plan calling for a number of sweeping changes to address climate change, including, among other measures, a national mobilization effort to achieve net-zero emissions for the U.S. economy by 2050, through increased use of renewable power, stricter fuel-efficiency standards and support for zero-emission vehicles. President Biden issued a number of executive orders in January 2021 with the purpose of implementing certain of these changes, including the rejoining of the Paris Agreement and directing federal agencies to procure electric vehicles. President Biden subsequently announced a target of reducing economy-wide net GHG emissions in the U.S. by 50% to 52% below 2005 levels by 2030. At the international level, the United States and the European Union jointly announced the launch of a Global Methane Pledge at the 26th Conference of the Parties in November 2021, pursuant to which over 100 participating countries have pledged to a collective goal of reducing global methane emissions by at least 30% from 2020 levels by 2030. Although the full impact of these actions is uncertain at this time, the adoption and implementation of these or other initiatives may result in the restriction or cancellation of oil and natural gas activities, greater costs of compliance or consumption (thereby reducing demand for our products) or an impairment in our ability to continue our operations in an economic manner.

In addition to regulatory risk, other market and social initiatives resulting from the changing perception of climate change present risks for our business. For example, in an effort to promote a lower-carbon economy, there are various public and private initiatives subsidizing or otherwise encouraging the development and adoption of alternative energy sources and technologies, including by mandating the use of specific fuels or technologies. These initiatives may reduce the competitiveness of carbon-based fuels, such as oil and gas. Moreover, an increasing number of financial institutions, funds and other sources of capital have begun restricting or eliminating their investment in oil and natural gas activities due to their concern regarding climate change. Such restrictions in capital could decrease the value of our business and make it more difficult to fund our operations. In addition, governmental entities and other plaintiffs have brought, and may continue to bring, claims against us and other oil and gas companies for purported damages caused by the alleged effects of climate change. The increasing attention to climate change may result in further claims or investigations against us, and heightened societal or political pressures may increase the possibility that liability could be imposed on us in such matters without regard to our causation of, or contribution to, the asserted damage or violation, or to other mitigating factors.

Finally, climate change may also result in various enhanced physical risks, such as an increased frequency or intensity of extreme weather events or changes in meteorological and hydrological patterns, that may adversely impact our operations. Such physical risks may result in damage to our facilities or otherwise adversely impact our operations, such as if we are subject to water use curtailments in response to drought, or demand for our products, such as to the extent warmer winters reduce demand for energy for heating purposes. These and the other risks discussed above could result in additional costs, new restrictions on our operations and reputational harm to us, as well as reduce the actual and forecasted demand for our products. These affects in turn could impair or lower the value of our assets, including by resulting in uneconomic or "stranded" assets, and otherwise adversely impact our profitability, liquidity and financial condition.

Our Operations Are Uncertain and Involve Substantial Costs and Risks

Our operating activities are subject to numerous costs and risks, including the risk that we will not encounter commercially productive oil or gas reservoirs. Drilling for oil, gas and NGLs can be unprofitable, not only from dry holes, but from productive wells that do not return a profit because of insufficient revenue from production or high costs. Substantial costs are required to locate, acquire and develop oil and gas properties, and we are often uncertain as to the amount and timing of those costs. Our cost of drilling, completing, equipping and operating wells is often uncertain before drilling commences. Declines in commodity prices and overruns in budgeted expenditures are common risks that can make a particular project uneconomic or less economic than forecasted. While both exploratory and developmental drilling activities involve these risks, exploratory drilling involves greater risks of dry holes or failure to find commercial quantities of hydrocarbons. In addition, our oil and gas properties can become damaged, our operations may be curtailed, delayed or canceled and the costs of such operations may increase as a result of a variety of factors, including, but not limited to:

- unexpected drilling conditions, pressure conditions or irregularities in reservoir formations;
- equipment failures or accidents;
- fires, explosions, blowouts, cratering or loss of well control, as well as the mishandling or underground migration of fluids and chemicals;
- adverse weather conditions, such as tornadoes, hurricanes, severe thunderstorms and extreme temperatures, the severity and frequency of which could potentially increase as a consequence of climate change;
- other natural disasters, such as earthquakes, floods and wildfires;
- issues with title or in receiving governmental permits or approvals;
- restricted takeaway capacity for our production, including due to inadequate midstream infrastructure or constrained downstream markets;
- environmental hazards or liabilities;
- restrictions in access to, or disposal of, water used or produced in drilling and completion operations; and
- shortages or delays in the availability of services or delivery of equipment.

The occurrence of one or more of these factors could result in a partial or total loss of our investment in a particular property, as well as significant liabilities. Moreover, certain of these events could result in environmental pollution and impact to third parties, including persons living in proximity to our operations, our employees and employees of our contractors, leading to possible injuries, death or significant damage to property and natural resources. For example, we have from time to time experienced well-control events that have resulted in various remediation and clean-up costs and certain of the other impacts described above.

In addition, we rely on our employees, consultants and sub-contractors to conduct our operations in compliance with applicable laws and standards. Any violation of such laws or standards by these individuals, whether through negligence, harassment, discrimination or other misconduct, could result in significant liability for us and adversely affect our business. For example, negligent operations by employees could result in serious injury, death or property damage, and sexual harassment or racial and gender discrimination could result in legal claims and reputational harm.

Our Hedging Activities Limit Participation in Commodity Price Increases and Involve Other Risks

We enter into financial derivative instruments with respect to a portion of our production to manage our exposure to oil, gas and NGL price volatility. To the extent that we engage in price risk management activities to protect ourselves from commodity price declines, we will be prevented from fully realizing the benefits of commodity price increases above the prices established by our

hedging contracts. In addition, our hedging arrangements may expose us to the risk of financial loss in certain circumstances, including instances in which the contract counterparties fail to perform under the contracts. Although we cannot predict the ultimate impact of laws and related rulemaking, some of which is ongoing, existing or future regulations may adversely affect the cost and availability of our hedging arrangements.

The Credit Risk of Our Counterparties Could Adversely Affect Us

We enter into a variety of transactions that expose us to counterparty credit risk. For example, we have exposure to financial institutions and insurance companies through our hedging arrangements, our syndicated revolving credit facility and our insurance policies. Disruptions in the financial markets or otherwise may impact these counterparties and affect their ability to fulfill their existing obligations and their willingness to enter into future transactions with us.

In addition, we are exposed to the risk of financial loss from trade, joint interest billing and other receivables. We sell our oil, gas and NGLs to a variety of purchasers, and, as an operator, we pay expenses and bill our non-operating partners for their respective share of costs. We also frequently look to buyers of oil and gas properties from us or our predecessors to perform certain obligations associated with the disposed assets, including the removal of production facilities and plugging and abandonment of wells. Certain of these counterparties or their successors may experience insolvency, liquidity problems or other issues and may not be able to meet their obligations and liabilities (including contingent liabilities) owed to, and assumed from, us, particularly during a depressed or volatile commodity price environment. Any such default may result in us being forced to cover the costs of those obligations and liabilities, which could adversely impact our financial results and condition.

Our Debt May Limit Our Liquidity and Financial Flexibility, and Any Downgrade of Our Credit Rating Could Adversely Impact Us

As of December 31, 2021, we had total indebtedness of $6.5 billion. Our indebtedness and other financial commitments have important consequences to our business, including, but not limited to:

- requiring us to dedicate a portion of our cash flows from operations to debt service payments, thereby limiting our ability to fund working capital, capital expenditures, investments or acquisitions and other general corporate purposes;
- increasing our vulnerability to general adverse economic and industry conditions, including low commodity price environments; and
- limiting our ability to obtain additional financing due to higher costs and more restrictive covenants.

In addition, we receive credit ratings from rating agencies in the U.S. with respect to our debt. Factors that may impact our credit ratings include, among others, debt levels, planned asset sales and purchases, liquidity, forecasted production growth and commodity prices. We are currently required to provide letters of credit or other assurances under certain of our contractual arrangements. Any credit downgrades could adversely impact our ability to access financing and trade credit, require us to provide additional letters of credit or other assurances under contractual arrangements and increase our interest rate under any credit facility borrowing as well as the cost of any other future debt.

Cyber Attacks May Adversely Impact Our Operations

Our business has become increasingly dependent on digital technologies, and we anticipate expanding the use of these technologies in our operations, including through artificial intelligence, process automation and data analytics. Concurrent with the growing dependence on technology is a greater sensitivity to cyber attack related activities, which have increasingly targeted our industry. Cyber attackers often attempt to gain unauthorized access to digital systems for purposes of misappropriating confidential and proprietary information, intellectual property or financial assets, corrupting data or causing operational disruptions as well as preventing users from accessing systems or information for the purpose of demanding payment in order for users to regain access. These attacks may be perpetrated by third parties or insiders. Techniques used in these attacks often range from highly sophisticated efforts to electronically circumvent network security to more traditional intelligence gathering and social engineering aimed at obtaining information necessary to gain access. Cyber attacks may also be performed in a manner that does not require gaining unauthorized access, such as by causing denial-of-service attacks. In addition, our vendors, midstream providers and other business partners may separately suffer disruptions or breaches from cyber attacks, which, in turn, could adversely impact our operations and compromise our information. Although we have not suffered material losses related to cyber attacks to date, if we were successfully attacked, we could incur substantial remediation and other costs or suffer other negative consequences, including litigation risks. Moreover, as the sophistication of cyber attacks continues to evolve, we may be required to expend significant additional resources to further enhance our digital security or to remediate vulnerabilities.

We Have Limited Control Over Properties Operated by Others or through Joint Ventures

Certain of the properties in which we have an interest are operated by other companies and involve third-party working interest owners. We have limited influence and control over the operation or future development of such properties, including compliance with environmental, health and safety regulations or the amount and timing of required future capital expenditures. In addition, we conduct certain of our operations through joint ventures in which we may share control with third parties, and the other joint venture participants may have interests or goals that are inconsistent with those of the joint venture or us. These limitations and our dependence on such third parties could result in unexpected future costs or liabilities and unplanned changes in operations or future development, which could adversely affect our financial condition and results of operations.

Midstream Capacity Constraints and Interruptions Impact Commodity Sales

We rely on midstream facilities and systems owned and operated by others to process our gas production and to transport our oil, gas and NGL production to downstream markets. All or a portion of our production in one or more regions may be interrupted or shut in from time to time due to losing access to plants, pipelines or gathering systems. Such access could be lost due to a number of factors, including, but not limited to, weather conditions and natural disasters, accidents, field labor issues or strikes. Additionally, the midstream operators may be subject to constraints that limit their ability to construct, maintain or repair midstream facilities needed to process and transport our production. Such interruptions or constraints could negatively impact our production and associated profitability.

Insurance Does Not Cover All Risks

As discussed above, our business is hazardous and is subject to all of the operating risks normally associated with the exploration, development and production of oil, gas and NGLs. To mitigate financial losses resulting from these operational hazards, we maintain comprehensive general liability insurance, as well as insurance coverage against certain losses resulting from physical damages, loss of well control, business interruption and pollution events that are considered sudden and accidental. We also maintain workers' compensation and employer's liability insurance. However, our insurance coverage does not provide 100% reimbursement of potential losses resulting from these operational hazards. Additionally, we have limited or no insurance coverage for a variety of other risks, including pollution events that are considered gradual, war and political risks and fines or penalties assessed by governmental authorities. The occurrence of a significant event against which we are not fully insured could have an adverse effect on our profitability, financial condition and liquidity.

Competition for Assets, Materials, People and Capital Can Be Significant

Strong competition exists in all sectors of the oil and gas industry. We compete with major integrated and independent oil and gas companies for the acquisition of oil and gas leases and properties. We also compete for the equipment and personnel required to explore, develop and operate properties. Typically, during times of rising commodity prices, drilling and operating costs will also increase. During these periods, there is often a shortage of drilling rigs and other oilfield services, which could adversely affect our ability to execute our development plans on a timely basis and within budget. Competition is also prevalent in the marketing of oil, gas and NGLs. Certain of our competitors have financial and other resources substantially greater than ours and may have established superior strategic long-term positions and relationships, including with respect to midstream take-away capacity. As a consequence, we may be at a competitive disadvantage in bidding for assets or services and accessing capital and downstream markets. In addition, many of our larger competitors may have a competitive advantage when responding to factors that affect demand for oil and gas production, such as changing worldwide price and production levels, the cost and availability of alternative energy sources and the application of government regulations.

Our Business Could Be Adversely Impacted by Investors Attempting to Effect Change

Investors may from time to time attempt to effect changes to our business or governance, whether by stockholder proposals, public campaigns, proxy solicitations or otherwise. These actions may be prompted or exacerbated by unfavorable recommendations or ratings from proxy advisory firms or other third parties, including with respect to our performance under ESG metrics. Such actions could adversely impact our business by distracting our Board of Directors and employees from core business operations, requiring us to incur increased advisory fees and related costs, interfering with our ability to successfully execute on strategic transactions and plans and provoking perceived uncertainty about the future direction of our business. Such perceived uncertainty may, in turn, make it more difficult to retain employees and could result in significant fluctuation in the market price of our common stock.

Our Acquisition and Divestiture Activities Involve Substantial Risks

Our business depends, in part, on making acquisitions, including by merger and other similar transactions, that complement or expand our current business and successfully integrating any acquired assets or businesses. If we are unable to make attractive acquisitions, our future growth could be limited. Furthermore, even if we do make acquisitions, such as the Merger, they may not result in an increase in our cash flow from operations or otherwise result in the benefits anticipated due to various risks, including, but not limited to:

- mistaken estimates or assumptions about reserves, potential drilling locations, revenues and costs, including synergies and the overall costs of equity or debt;
- difficulties in integrating the operations, technologies, products and personnel of the acquired assets or business; and
- unknown and unforeseen liabilities or other issues related to any acquisition for which contractual protections prove inadequate, including environmental liabilities and title defects.

In addition, from time to time, we may sell or otherwise dispose of certain of our properties or businesses as a result of an evaluation of our asset portfolio and to help enhance our liquidity. These transactions also have inherent risks, including possible delays in closing, the risk of lower-than-expected sales proceeds for the disposed assets or business and potential post-closing claims for indemnification. Moreover, volatility in commodity prices may result in fewer potential bidders, unsuccessful sales efforts and a higher risk that buyers may seek to terminate a transaction prior to closing.

Our Ability to Declare and Pay Dividends and Repurchase Shares Is Subject to Certain Considerations

Dividends, whether fixed or variable, and share repurchases are authorized and determined by our Board of Directors in its sole discretion and depend upon a number of factors, including the Company's financial results, cash requirements and future prospects, as well as such other factors deemed relevant by our Board of Directors. We can provide no assurance that we will continue to pay dividends or authorize share repurchases at the current rate or at all. Any elimination of, or downward revision in, our dividend payout or share repurchase program could have an adverse effect on the market price of our common stock.

Item 1B. ***Unresolved Staff Comments***

Not applicable.

Item 3. ***Legal Proceedings***

We are involved in various legal proceedings incidental to our business. However, to our knowledge as of the date of this report and subject to the matters noted below, there were no material pending legal proceedings to which we are a party or to which any of our property is subject.

On April 7, 2020, WPX Energy, Inc., a wholly-owned subsidiary of the Company, received a notice of violation from the EPA relating to specific historical air emission events occurring on the Fort Berthold Indian Reservation in North Dakota. On June 4, 2021, we received a notice of violation from the EPA relating to alleged air permit violations by WPX Energy Permian, LLC, a wholly-owned subsidiary of the Company, during 2020 in western Texas. The Company has been engaging with the EPA to resolve these matters. Although these matters are ongoing and management cannot predict their ultimate outcome, the resolution of each of these matters may result in a fine or penalty in excess of $300,000.

Item 4. ***Mine Safety Disclosures***

Not applicable.

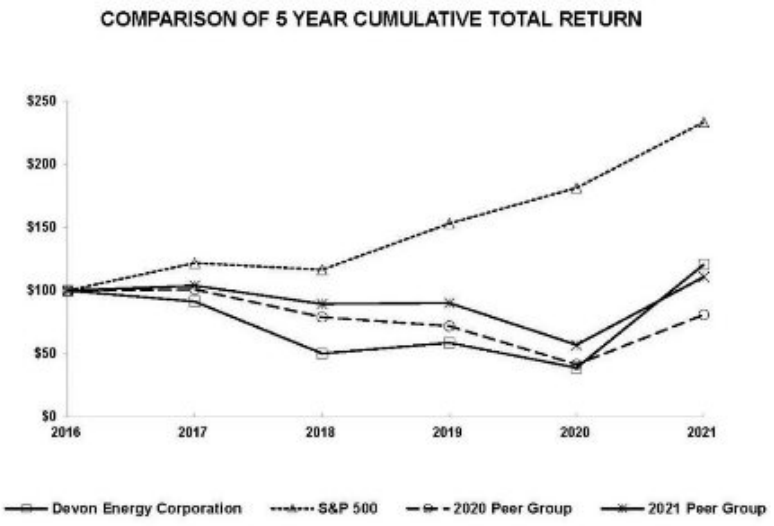
PART II

Item 5. ***Market for Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities***

Our common stock is traded on the NYSE under the "DVN" ticker symbol. On February 2, 2022, there were 11,947 holders of record of our common stock. We began paying regular quarterly cash dividends in the second quarter of 1993. Following the closing of the Merger, Devon initiated a "fixed plus variable" dividend strategy. Under this strategy, Devon plans to pay, on a quarterly basis, a fixed dividend amount and, potentially, a variable dividend amount, if any, to its stockholders. The declaration and payment of any future dividend, whether fixed or variable, will remain at the full discretion of the Board of Directors and will depend on Devon's financial results, cash requirements, future prospects and other factors deemed relevant by the Devon Board. In determining the amount of the quarterly fixed dividend, the Board expects to consider a number of factors, including Devon's financial condition, the commodity price environment and a general target of paying out approximately 10% of operating cash flow through the fixed dividend. Any variable dividend amount will be determined on a quarterly basis and will equal up to 50% of "excess free cash flow," which is a non-GAAP measure and is computed as operating cash flow (a GAAP measure) before balance sheet changes, less capital expenditures and the fixed dividend. A number of factors will be considered when determining if a variable dividend payment will be made. Devon expects that the most critical factors will consist of Devon's financial condition, including its cash balances and leverage metrics, as well as the commodity price outlook. Additional information on our dividends can be found in Note 18 in "Item 8. Financial Statements and Supplementary Data" of this report.

Performance Graph

The following graph compares the cumulative TSR over a five-year period on Devon's common stock with the cumulative total returns of the S&P 500 Index and peer groups of companies to which we compare our performance. In 2021, this peer group was recalibrated to better align with Devon's go-forward size and operations post Merger and due to consolidation within the industry. The new 2021 peer group included APA Corporation, ConocoPhillips, Continental Resources, Inc., Coterra Energy Inc., Diamondback Energy, Inc., EOG Resources, Inc., Marathon Oil Corporation, Ovintiv, Inc. and Pioneer Natural Resources Company. In 2020, the peer group included APA Corporation, Chesapeake Energy Corporation, Continental Resources, Inc., EOG Resources, Inc., Marathon Oil Corporation, Occidental Petroleum Corporation, Ovintiv, Inc. and Pioneer Natural Resources Company. Cimarex Energy Co. was previously included in the peer group, but has been excluded as a result of being acquired as part of the continuing consolidation in the industry. The graph was prepared assuming $100 was invested on December 31, 2016 in Devon's common stock, the peer groups and the S&P 500 Index, and dividends have been reinvested subsequent to the initial investment.



The graph and related information should not be deemed "soliciting material" or to be "filed" with the SEC, nor should such information be incorporated by reference into any future filing under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, except to the extent that we specifically incorporate such information by reference into such a filing. The graph and information are included for historical comparative purposes only and should not be considered indicative of future stock performance.

Issuer Purchases of Equity Securities

The following table provides information regarding purchases of our common stock that were made by us during the fourth quarter of 2021 (shares in thousands).

Period	Total Number of Shares Purchased (1)	Average Price Paid per Share	Total Number of Shares Purchased As Part of Publicly Announced Plans or Programs (2)	Maximum Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs (2)
October 1 - October 31	30	$ 37.96	—	$ —
November 1 - November 30	9,731	$ 42.50	9,727	$ 587
December 1 - December 31	4,282	$ 41.35	4,256	$ 411
Total	14,043	$ 42.14	13,983	

(1) In addition to shares purchased under the share repurchase program described below, these amounts also include approximately 60,000 shares received by us from employees for the payment of personal income tax withholding on vesting transactions.

(2) On November 2, 2021, we announced a $1.0 billion share repurchase program that will expire on December 31, 2022. On February 15, 2022, we announced the expansion of this program to $1.6 billion. In the fourth quarter of 2021, we repurchased 14 million common shares for $589 million, or $42.15 per share, under this share repurchase program. For additional information, see Note 18 in "Item 8. Financial Statements and Supplementary Data" of this report.

Item 6. ***[Reserved]***

Item 7. ***Management's Discussion and Analysis of Financial Condition and Results of Operations***

Introduction

The following discussion and analysis presents management's perspective of our business, financial condition and overall performance. This information is intended to provide investors with an understanding of our past performance, current financial condition and outlook for the future and should be read in conjunction with "Item 8. Financial Statements and Supplementary Data" of this report.

The following discussion and analyses primarily focus on 2021 and 2020 items and year-to-year comparisons between 2021 and 2020. Discussions of 2019 items and year-to-year comparisons between 2020 and 2019 that are not included in this report can be found in "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Part II, Item 7 of our 2020 Annual Report on Form 10-K.

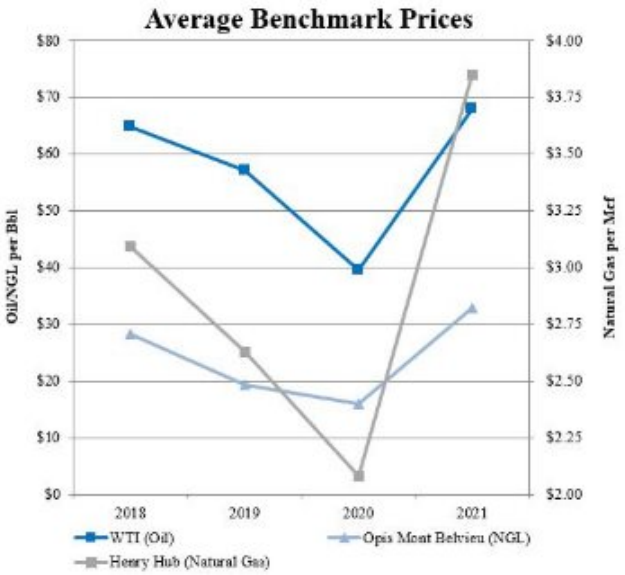
Executive Overview

The Merger has helped us become a leading unconventional oil producer in the U.S., with an asset base underpinned by premium acreage in the economic core of the Delaware Basin. This strategic combination accelerates our transition to a cash-return business model, including the implementation of a fixed plus variable dividend strategy. We remain focused on building economic value by executing on our strategic priorities of achieving disciplined oil volume growth, capturing operational and corporate synergies, reducing reinvestment rates to maximize free cash flow, maintaining low leverage, delivering cash returns to our shareholders and pursuing ESG excellence. Our recent performance highlights for these priorities include the following items:

- 2021 production totaled 572 MBoe/d, exceeding our plan by 2%.
- Achieved approximately $600 million in merger-related annual cost savings during 2021.
- Redeemed approximately $1.2 billion of senior notes in 2021.
- Exited 2021 with $5.3 billion of liquidity, including $2.3 billion of cash, with no debt maturities until 2023.
- Generated $4.9 billion of operating cash flow in 2021.
- Including variable dividends, paid dividends of approximately $1.3 billion during 2021 and have declared $663 million of dividends to be paid in the first quarter of 2022.
- Increased our share repurchase program to $1.6 billion and repurchased approximately 14 million of our common shares in the fourth quarter of 2021 for approximately $589 million or $42.15 per share.
- Established environmental performance targets focused on reducing the carbon intensity of our operations.

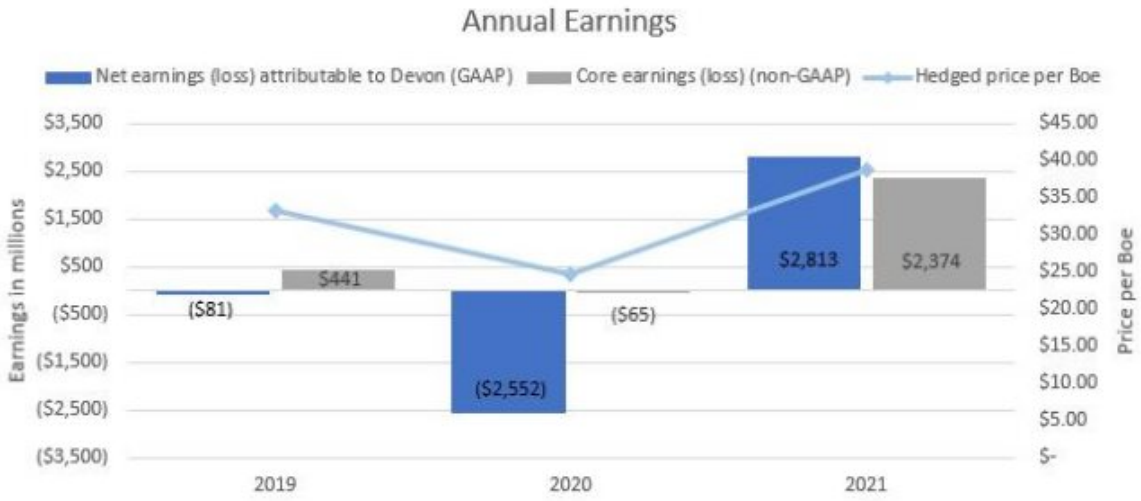
We operate under a disciplined returns-driven strategy focused on delivering strong operational results, financial strength and value to our shareholders and continuing our commitment to ESG excellence, which provides us with a strong foundation to grow returns, margin and profitability. We continue to execute on our strategy and navigate through various economic environments by protecting our financial strength, maintaining a commitment to capital discipline, improving our cash cost structure and preserving operational continuity.

Commodity prices strengthened throughout 2021 which significantly improved our earnings and cash flow generation. The increase in commodity prices was primarily driven by increased demand resulting from the initial recovery from the COVID-19 pandemic, as well as OPEC+ and other oil and natural gas producers not rapidly increasing current production levels.



As presented in the graph at the left, commodity prices are volatile and heavily influence our financial performance and trends. Over the last four years, NYMEX WTI oil and NYMEX Henry Hub gas prices ranged from average highs of $67.86 per Bbl and $3.85 per MMBtu, respectively, to average lows of $39.59 per Bbl and $2.08 per MMBtu, respectively.

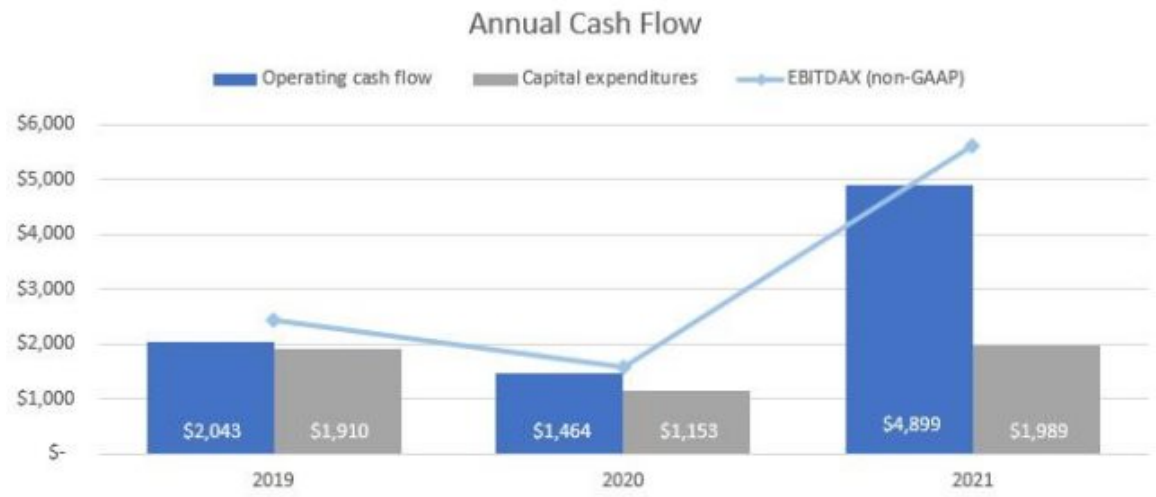
Trends of our annual earnings, operating cash flow, EBITDAX and capital expenditures are shown below. The annual earnings chart and cash flow chart present amounts pertaining to Devon's continuing operations. "Core earnings" and "EBITDAX" are financial measures not prepared in accordance with GAAP. For a description of these measures, including reconciliations to the comparable GAAP measures, see "Non-GAAP Measures" in this Item 7.



Our earnings in 2020 were negatively impacted by lower commodity prices and deterioration of the macro-economic environment resulting from the unprecedented COVID-19 pandemic. Earnings improved significantly in 2021 due to commodity prices recovering from the initial COVID-19 pandemic as well as the Merger closing in January 2021. Led by an 85% and 71% increase in Henry Hub and WTI from 2020 to 2021, respectively, our unhedged combined realized price rose 107%. Additionally, volumes increased 72% from 2020 to 2021 primarily due to the Merger as well as continued development of assets in the Delaware Basin.

Our net earnings in recent years have been significantly impacted by asset impairments and temporary, noncash adjustments to the value of our commodity hedges. Net earnings in 2019, 2020 and 2021 included a $0.5 billion, $0.1 billion and $0.1 billion hedge

valuation loss, respectively, net of taxes. Additionally, net earnings in 2020 included $2.2 billion of asset impairments on our proved and unproved properties, net of taxes, due to reduced demand from the COVID-19 pandemic. Excluding these amounts, our core earnings have been more stable over recent years but continue to be heavily influenced by commodity prices.



Like earnings, our operating cash flow is sensitive to volatile commodity prices. Our cash flow and EBITDAX increased from 2020 to 2021 primarily due to the higher commodity prices and the increase in sold volumes driven by the Merger and improved post-merger operating performance.

We exited 2021 with $5.3 billion of liquidity, comprised of $2.3 billion of cash and $3.0 billion of available credit under our Senior Credit Facility. We currently have $6.5 billion of debt outstanding with no maturities until August 2023. We currently have approximately 20% and 30% of our 2022 oil and gas production hedged, respectively. These contracts consist of collars and swaps based off the WTI oil benchmark and the Henry Hub and NYMEX last day natural gas indices. Additionally, we have entered into regional basis swaps in an effort to protect price realizations across our portfolio.

As commodity prices and our operating performance strengthen and bolster our financial condition, we have authorized opportunistic repurchases of up to $1.6 billion shares of our common stock through the end of 2022. We repurchased approximately 14 million shares in the fourth quarter of 2021 for approximately $589 million or $42.15 per share. Additionally, we continue funding our fixed plus variable dividends, which totaled $1.3 billion in 2021. We recently declared a dividend payable in the first quarter of 2022 for $663 million.

Business and Industry Outlook

In 2021, Devon marked its 50th anniversary in the oil and gas business and its 33rd year as a public company. On January 7, 2021, we completed a transformational merger of equals with WPX, which nearly doubled the size and scale of Devon's oil production while further strengthening our leadership team, the quality of our portfolio of assets and our balance sheet. During 2021, we successfully integrated the two companies, capturing our targeted merger synergies and delivering strong financial and operational results to generate $4.9 billion of operating cash flow for the year.

The strategic combination with WPX has accelerated our cash return business model that includes reduced capital reinvestment rates and a disciplined, returns-driven strategy to generate higher free cash flow. In line with this business model, we redeemed $1.2 billion of debt and returned nearly $2 billion of cash to shareholders through our fixed plus variable cash dividends and share repurchases. Additionally, our margins have benefited from merger-related synergies, with approximately $600 million in total annual savings, including overhead synergies and interest cost savings from completed debt reductions.

Our disciplined strategy is in response to current market fundamentals that indicate a continued recovery in global oil demand along with an outlook for strong market prices for crude oil and natural gas that also remain inherently volatile. In 2021, WTI oil prices averaged $67.86 per barrel versus $39.59 per barrel in 2020. Crude prices experienced significant improvement from the prior year, but volatility remained due to OPEC oil supply uncertainty and market fears from new COVID-19 variants that could risk the global recovery from the pandemic. Looking ahead, current market fundamentals indicate that 2022 crude pricing is expected to continue to stabilize, supported both by a continued recovery in global demand with the easing of travel restrictions and expected continued capital discipline by oil producers. However, uncertainty still exists depending on new COVID-19 variants, as well as

actions taken by OPEC+ countries in supporting a balanced global crude supply. Natural gas prices rebounded in 2021 due to continued global economic recovery, supply constraints and production declines. U.S. liquefied natural gas exports also strengthened in 2021 with increased spot prices in Asia and Europe due to increased demand as a result of lifting COVID-19 restrictions and unplanned outages at liquefied natural gas export facilities in other countries. Looking forward, natural gas and NGL prices are expected to flatten or decrease due to slowing growth in liquefied natural gas exports, rising U.S. natural gas production and warmer-than-expected weather.

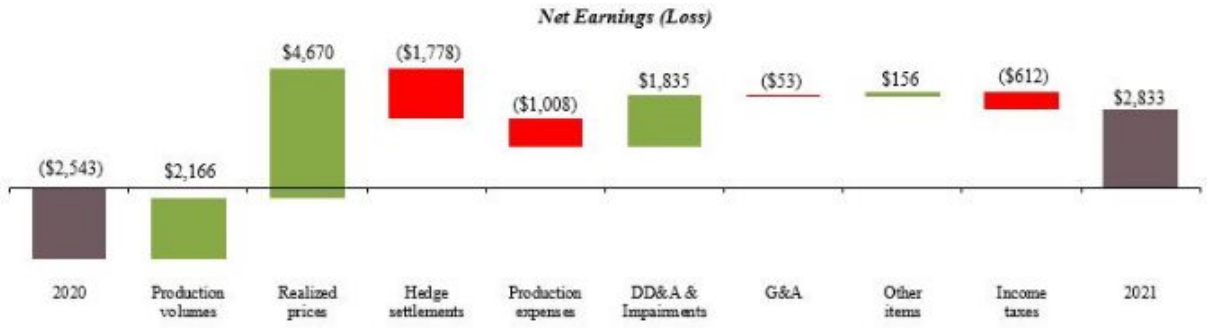
Our strategy of spending well within cash flow mitigates risks to our financial strength due to commodity market volatility and provides for a lower level of hedging. Our 2022 cash flow is partly protected from commodity price volatility due to our current hedge position that covers approximately 20% of our anticipated oil volumes and 30% of our anticipated gas volumes. Further insulating our cash flow, we continue to examine and, when appropriate, execute attractive regional basis swap hedges to protect price realizations across our portfolio.

With our 2022 capital program, we expect to continue our capital-efficiency focus and our steadfast commitment to capital discipline. To achieve our 2022 capital program objectives that maximize free cash flow, approximately 75% of our 2022 spend is expected to be allocated to our highest margin U.S. oil play, the Delaware Basin. We expect to continue to leverage the strengths of our multi-basin strategy and deploy the remainder of our 2022 capital in our remaining core areas of Eagle Ford, Anadarko Basin, Powder River Basin and Williston Basin. In total, our 2022 operating plan is expected to maintain our oil production at similar levels as 2021. However, some of our capital cost efficiencies could be eroded by global supply chain disruptions, and demand growth which have led to rising levels of cost inflation that could also impact our capital and operating costs. Despite these pressures, our capital forecasts account for the estimated impact of such cost inflation and we expect to continue generating material amounts of free cash flow at current commodity price levels.

Results of Operations

The following graph, discussion and analysis are intended to provide an understanding of our results of operations and current financial condition. To facilitate the review, these numbers are being presented before consideration of earnings attributable to noncontrolling interests. Analysis of the change in net earnings from continuing operations is shown below.

Our 2021 net earnings were $2.8 billion, compared to a net loss of $2.5 billion for 2020. The graph below shows the change in net earnings (loss) from 2020 to 2021. The material changes are further discussed by category on the following pages.



Production Volumes

	2021	% of Total	2020	Change
Oil (MBbls/d)				
Delaware Basin	197	68%	85	+133%
Anadarko Basin	15	5%	20	- 27%
Williston Basin	41	14%	—	N/M
Eagle Ford	18	6%	24	- 25%
Powder River Basin	15	5%	19	- 21%
Other	4	2%	7	- 36%
Total	290	100%	155	+88%

	2021	% of Total	2020	Change
Gas (MMcf/d)				
Delaware Basin	535	60%	248	+116%
Anadarko Basin	217	24%	252	- 14%
Williston Basin	58	7%	—	N/M
Eagle Ford	58	7%	77	- 24%
Powder River Basin	20	2%	23	- 14%
Other	2	0%	3	- 53%
Total	890	100%	603	+48%

	2021	% of Total	2020	Change
NGLs (MBbls/d)				
Delaware Basin	87	66%	37	+137%
Anadarko Basin	24	18%	27	- 11%
Williston Basin	9	7%	—	N/M
Eagle Ford	9	6%	10	- 15%
Powder River Basin	3	2%	3	- 2%
Other	1	1%	1	+0%
Total	133	100%	78	+70%

	2021	% of Total	2020	Change
Combined (MBoe/d)				
Delaware Basin	374	65%	163	+130%
Anadarko Basin	75	13%	90	- 16%
Williston Basin	60	11%	—	N/M
Eagle Ford	37	6%	46	- 21%
Powder River Basin	21	4%	26	- 18%
Other	5	1%	8	- 40%
Total	572	100%	333	+72%

From 2020 to 2021, the change in volumes contributed to a $2.2 billion increase in earnings. Due to the Merger closing on January 7, 2021, volumes now include WPX legacy assets in the Delaware Basin in Texas and New Mexico and the Williston Basin in North Dakota. Volumes associated with these WPX legacy assets were approximately 229 MBoe/d for 2021. Continued development of Devon legacy assets in the Delaware Basin also increased volumes. These increases were partially offset by reduced activity across Devon's remaining legacy assets.

Realized Prices

	2021	Realization	2020	Change
Oil (per Bbl)				
WTI index	$ 67.86		$ 39.59	+71%
Realized price, unhedged	$ 65.98	97%	$ 35.95	+84%
Cash settlements	$ (11.60)		$ 4.81	
Realized price, with hedges	$ 54.38	80%	$ 40.76	+33%

	2021	Realization	2020	Change
Gas (per Mcf)				
Henry Hub index	$ 3.85		$ 2.08	+85%
Realized price, unhedged	$ 3.40	88%	$ 1.48	+130%
Cash settlements	$ (0.66)		$ 0.18	
Realized price, with hedges	$ 2.74	71%	$ 1.66	+65%

	2021	Realization	2020	Change
NGLs (per Bbl)				
WTI index	$ 67.86		$ 39.59	+71%
Realized price, unhedged	$ 29.52	44%	$ 11.72	+152%
Cash settlements	$ (0.38)		$ 0.18	
Realized price, with hedges	$ 29.14	43%	$ 11.90	+145%

	2021	2020	Change
Combined (per Boe)			
Realized price, unhedged	$ 45.68	$ 22.10	+107%
Cash settlements	$ (7.01)	$ 2.60	
Realized price, with hedges	$ 38.67	$ 24.70	+57%

From 2020 to 2021, realized prices contributed to a $4.7 billion increase in earnings. Unhedged realized oil, gas and NGL prices increased primarily due to higher WTI, Henry Hub and Mont Belvieu index prices. The increase in index prices was partially offset by hedge cash settlements related to all products in 2021.

Hedge Settlements

	2021	2020	Change
Oil	$ (1,230)	$ 271	- 554%
Natural gas	(213)	40	- 633%
NGL	(19)	5	- 480%
Total cash settlements (1)	$ (1,462)	$ 316	- 563%

(1) Included as a component of oil, gas and NGL derivatives on the consolidated statements of comprehensive earnings.

Cash settlements as presented in the tables above represent realized gains or losses related to the instruments described in Note 3 in "Item 8. Financial Statements and Supplementary Data" of this report.

Production Expenses

	2021	2020	Change
LOE	$ 859	$ 425	+102%
Gathering, processing & transportation	606	508	+19%
Production taxes	633	170	+272%
Property taxes	33	20	+65%
Total	$ 2,131	$ 1,123	+90%
Per Boe:			
LOE	$ 4.12	$ 3.49	+18%
Gathering, processing & transportation	$ 2.91	$ 4.17	- 30%
Percent of oil, gas and NGL sales:			
Production taxes	6.6%	6.3%	+5%

Production expenses increased primarily due to the Merger closing on January 7, 2021. For additional information, see Note 2 in "Item 8. Financial Statements and Supplementary Data" of this report. Partially offsetting increases to gathering, processing and transportation costs were approximately $60 million of Anadarko volume commitments which expired at the end of 2020. Production taxes also increased due to the rise of commodity prices.

Field-Level Cash Margin

The table below presents the field-level cash margin for each of our operating areas. Field-level cash margin is computed as oil, gas and NGL revenues less production expenses and is not prepared in accordance with GAAP. A reconciliation to the comparable GAAP measures is found in "Non-GAAP Measures" in this Item 7. The changes in production volumes, realized prices and production expenses, shown above, had the following impacts on our field-level cash margins by asset.

	2021	$ per BOE	2020	$ per BOE
Field-level cash margin (Non-GAAP)				
Delaware Basin	$ 5,183	$ 37.98	$ 946	$ 15.86
Anadarko Basin	616	$ 22.46	204	$ 6.22
Williston Basin	759	$ 34.79	—	N/M
Eagle Ford	474	$ 35.33	229	$ 13.46
Powder River Basin	290	$ 37.83	159	$ 16.93
Other	78	$ 42.00	34	$ 10.93
Total	$ 7,400	$ 35.47	$ 1,572	$ 12.89

DD&A and Asset Impairments

	2021	2020	Change
Oil and gas per Boe	$ 9.83	$ 9.90	- 1%
Oil and gas	$ 2,050	$ 1,207	+70%
Other property and equipment	108	93	+16%
Total	$ 2,158	$ 1,300	+66%
Asset impairments	$ —	$ 2,693	N/M

DD&A increased in 2021 primarily due to the Merger closing on January 7, 2021. For additional information, see Note 2 in "Item 8. Financial Statements and Supplementary Data" of this report.

Asset impairments were $2.7 billion in 2020 due to significant decreases in commodity prices resulting primarily from the COVID-19 pandemic. For additional information, see Note 5 in "Item 8. Financial Statements and Supplementary Data" of this report.

General and Administrative Expense

	2021	2020	Change
G&A per Boe	$ 1.88	$ 2.77	- 32%
Labor and benefits	$ 255	$ 206	+24%
Non-labor	136	132	+3%
Total	$ 391	$ 338	+16%

Labor and benefits increased primarily due to the Merger closing on January 7, 2021. However, Devon's G&A per Boe rate decreased 32% primarily due to synergies resulting from the Merger.

Other Items

	2021	2020	Change in earnings
Commodity hedge valuation changes (1)	$ (82)	$ (161)	$ 79
Marketing and midstream operations	(19)	(35)	16
Exploration expenses	14	167	153
Asset dispositions	(168)	(1)	167
Net financing costs	329	270	(59)
Restructuring and transaction costs	258	49	(209)
Other, net	(43)	(34)	9
			$ 156

(1) Included as a component of oil, gas and NGL derivatives on the consolidated statements of comprehensive earnings.

We recognize fair value changes on our oil, gas and NGL derivative instruments in each reporting period. The changes in fair value resulted from new positions and settlements that occurred during each period, as well as the relationship between contract prices and the associated forward curves.

Exploration expenses decreased primarily due to unproved asset impairments of $152 million in 2020. For additional information, see Note 5 in "Item 8. Financial Statements and Supplementary Data" of this report.

Asset dispositions includes $110 million related to the re-valuation of contingent earnout payments associated with our divested Barnett Shale assets and $39 million related to the sale of non-core assets in the Rockies. For additional information, see Note 2 in "Item 8. Financial Statements and Supplementary Data" of this report.

Net financing costs increased as a result of the WPX debt assumed in the Merger, partially offset by a $30 million gain associated with our debt retirements in 2021. For additional information, see Note 2 and Note 14 in "Item 8. Financial Statements and Supplementary Data" of this report.

Restructuring and transaction costs in 2021 reflect workforce reductions in conjunction with the Merger, as well as various transaction costs related to the Merger. Restructuring and transaction costs in 2020 relate to workforce reductions, the associated employee severance benefits related to cost reduction plans and approximately $8 million of transaction costs related to the Merger. For additional information, see Note 6 in "Item 8. Financial Statements and Supplementary Data" of this report.

Income Taxes

	2021	2020
Current expense (benefit)	$ 16	$ (219)
Deferred expense (benefit)	49	(328)
Total expense (benefit)	$ 65	$ (547)
Effective income tax rate	2%	18%

For discussion on income taxes, see Note 8 in "Item 8. Financial Statements and Supplementary Data" of this report.

Capital Resources, Uses and Liquidity

Sources and Uses of Cash

The following table presents the major changes in cash and cash equivalents for the time periods presented below.

	Year Ended December 31,	
	2021	2020
Operating cash flow from continuing operations	$ 4,899	$ 1,464
WPX acquired cash	344	—
Divestitures of property and equipment	79	34
Capital expenditures	(1,989)	(1,153)
Debt activity, net	(1,302)	—
Repurchases of common stock	(589)	(38)
Common stock dividends	(1,315)	(257)
Noncontrolling interest activity, net	(41)	7
Other	(52)	(26)
Net change in cash, cash equivalents and restricted cash from discontinued operations	—	362
Net change in cash, cash equivalents and restricted cash	$ 34	$ 393
Cash, cash equivalents and restricted cash at end of period	$ 2,271	$ 2,237

Operating Cash Flow and WPX Acquired Cash

As presented in the table above, net cash provided by operating activities continued to be a significant source of capital and liquidity. Operating cash flow increased 235% during 2021 compared to 2020. The increase was due to the Merger and commodity prices significantly increasing in 2021, as well as cost synergies captured after the Merger.

Divestitures of Property and Equipment

During 2021 and 2020, we sold non-core U.S. upstream assets for approximately $79 million and $34 million, respectively.

Capital Expenditures

The amounts in the table below reflect cash payments for capital expenditures, including cash paid for capital expenditures incurred in prior periods.

	Year Ended December 31,	
	2021	2020
Delaware Basin	$ 1,535	$ 734
Anadarko Basin	53	23
Williston Basin	77	—
Eagle Ford	122	172
Powder River Basin	73	172
Other	3	8
Total oil and gas	1,863	1,109
Midstream	64	31
Other	62	13
Total capital expenditures	$ 1,989	$ 1,153

Capital expenditures consist primarily of amounts related to our oil and gas exploration and development operations, midstream operations and other corporate activities. The vast majority of our capital expenditures are for the acquisition, drilling and development of oil and gas properties. Capital expenditures increased in 2021 primarily due to the Merger closing on January 7, 2021 and results now include activity related to WPX legacy assets in the Delaware Basin in Texas and New Mexico and the Williston Basin in North Dakota. Our capital program is designed to operate within operating cash flow. This is evidenced by our operating cash

flow fully funding capital expenditures for 2021 and 2020. Our capital investment program is driven by a disciplined allocation process focused on maximizing returns.

Debt Activity, Net

Subsequent to the Merger closing, we redeemed $1.2 billion of senior notes in 2021. We also paid $59 million of cash retirement costs related to these redemptions.

Repurchases of Common Stock and Shareholder Distributions

We repurchased 14 million shares of common stock for $589 million in 2021 and 2.2 million shares of common stock for $38 million in 2020 under share repurchase programs authorized by our Board of Directors. For additional information, see Note 18 in "Item 8. Financial Statements and Supplementary Data" in this report.

The following table summarizes our common stock dividends in 2021 and 2020. We raised our quarterly dividend by 22% to $0.11 per share in the second quarter of 2020. In addition to the fixed quarterly dividend, we paid a variable dividend in each quarter of 2021 and a special dividend in 2020 to shareholders on October 1, 2020. For additional information, see Note 18 in "Item 8. Financial Statements and Supplementary Data" of this report.

	Fixed	Variable/Special	Total	Rate Per Share
2021:				
First quarter	$ 76	$ 127	$ 203	$ 0.30
Second quarter	75	154	229	$ 0.34
Third quarter	74	255	329	$ 0.49
Fourth quarter	73	481	554	$ 0.84
Total year-to-date	$ 298	$ 1,017	$ 1,315	
2020:				
First quarter	$ 34	$ —	$ 34	$ 0.09
Second quarter	42	—	42	$ 0.11
Third quarter	43	—	43	$ 0.11
Fourth quarter	41	97	138	$ 0.37
Total year-to-date	$ 160	$ 97	$ 257	

Noncontrolling Interest Activity, net

During 2021, we received $4 million of contributions from our noncontrolling interests (primarily in CDM) and distributed $21 million to our noncontrolling interests in CDM. In the first quarter of 2021, we paid $24 million to purchase the noncontrolling interest portion of a partnership that WPX had formed to acquire minerals in the Delaware Basin.

During 2020, we received $21 million in contributions from our noncontrolling interests in CDM and distributed $14 million to our noncontrolling interests in CDM.

Liquidity

The business of exploring for, developing and producing oil and natural gas is capital intensive. Because oil, natural gas and NGL reserves are a depleting resource, we, like all upstream operators, must continually make capital investments to grow and even sustain production. Generally, our capital investments are focused on drilling and completing new wells and maintaining production from existing wells. At opportunistic times, we also acquire operations and properties from other operators or land owners to enhance our existing portfolio of assets.

On January 7, 2021, Devon and WPX completed an all-stock merger of equals. With the Merger, we accelerated our transition to a cash-return business model, which moderates growth, emphasizes capital efficiencies and prioritizes cash returns to shareholders. These principles will position Devon to be a consistent builder of economic value through the cycle. The post-merger scalability enhanced Devon's free cash flow, credit profile and decreased the overall cost of capital.

Historically, our primary sources of capital funding and liquidity have been our operating cash flow, cash on hand and asset divestiture proceeds. Additionally, we maintain a commercial paper program, supported by our revolving line of credit, which can be accessed as needed to supplement operating cash flow and cash balances. If needed, we can also issue debt and equity securities, including through transactions under our shelf registration statement filed with the SEC. We estimate the combination of our sources of capital will continue to be adequate to fund our planned capital requirements, as discussed in this section, as well as accelerate our cash-return business model.

Operating Cash Flow

Key inputs into determining our planned capital investment is the amount of cash we hold and operating cash flow we expect to generate over the next one to three or more years. At the end of 2021, we held approximately $2.3 billion of cash, inclusive of $160 million of cash restricted primarily for retained obligations related to divested assets. Our operating cash flow forecasts are sensitive to many variables and include a measure of uncertainty as these variables may differ from our expectations.

Commodity Prices – The most uncertain and volatile variables for our operating cash flow are the prices of the oil, gas and NGLs we produce and sell. Prices are determined primarily by prevailing market conditions. Regional and worldwide economic activity, weather and other highly variable factors influence market conditions for these products. These factors, which are difficult to predict, create volatility in prices and are beyond our control.

To mitigate some of the risk inherent in prices, we utilize various derivative financial instruments to protect a portion of our production against downside price risk. The key terms to our oil, gas and NGL derivative financial instruments as of December 31, 2021 are presented in Note 3 in “Item 8. Financial Statements and Supplementary Data” of this report.

Further, when considering the current commodity price environment and our current hedge position, we expect to achieve our capital investment priorities. Additionally, as commodity prices have increased, we remain committed to a maintenance capital program for the foreseeable future. We do not intend to add any growth projects until market fundamentals recover, excess inventory clears up and OPEC+ curtailed volumes are effectively absorbed by the world markets.

Operating Expenses – Commodity prices can also affect our operating cash flow through an indirect effect on operating expenses. Significant commodity price decreases can lead to a decrease in drilling and development activities. As a result, the demand and cost for people, services, equipment and materials may also decrease, causing a positive impact on our cash flow as the prices paid for services and equipment decline. However, the inverse is also generally true during periods of rising commodity prices. Furthermore, the COVID-19 pandemic has contributed to disruption and volatility in our supply chain, which has resulted, and may continue to result, in increased costs and delays for pipe and other materials needed for our operations.

Merger Synergies – We realized a $600 million reduction of annualized cost savings from synergies resulting from the Merger through cost reductions and efficiencies related to our capital programs, G&A, financing costs and production expenses. Approximately 35% of the reduced costs were related to our capital programs and the remainder relate to our operating expenses, including G&A, interest expense and production expenses.

Credit Losses – Our operating cash flow is also exposed to credit risk in a variety of ways. This includes the credit risk related to customers who purchase our oil, gas and NGL production, the collection of receivables from joint interest owners for their proportionate share of expenditures made on projects we operate and counterparties to our derivative financial contracts. We utilize a variety of mechanisms to limit our exposure to the credit risks of our customers, partners and counterparties. Such mechanisms include, under certain conditions, requiring letters of credit, prepayments or collateral postings.

Repayment of Debt

In conjunction with the Merger, we assumed a principal value of $3.3 billion of WPX debt. Subsequent to the Merger closing, we have reduced our debt by approximately $1.2 billion. We expect these redemptions to lower our annual cash net financing costs by approximately $70 million. We have no debt maturities until 2023.

Credit Availability

We have $3.0 billion of available borrowing capacity under our Senior Credit Facility at December 31, 2021. The Senior Credit Facility matures on October 5, 2024, with the option to extend the maturity date by two additional one-year periods subject to lender consent. Subsequent to October 5, 2023, the borrowing capacity decreases to $2.8 billion. The Senior Credit Facility supports our $3.0

billion of short-term credit under our commercial paper program. As of December 31, 2021, there were no borrowings under our commercial paper program. See Note 14 in "Item 8. Financial Statements and Supplementary Data" of this report for further discussion.

The Senior Credit Facility contains only one material financial covenant. This covenant requires us to maintain a ratio of total funded debt to total capitalization, as defined in the credit agreement, of no more than 65%. As of December 31, 2021, we were in compliance with this covenant with a 25% debt-to-capitalization ratio.

Our access to funds from the Senior Credit Facility is not subject to a specific funding condition requiring the absence of a "material adverse effect". It is not uncommon for credit agreements to include such provisions. In general, these provisions can remove the obligation of the banks to fund the credit line if any condition or event would reasonably be expected to have a material and adverse effect on the borrower's financial condition, operations, properties or business considered as a whole, the borrower's ability to make timely debt payments or the enforceability of material terms of the credit agreement. While our credit agreement includes provisions qualified by material adverse effect as well as a covenant that requires us to report a condition or event having a material adverse effect, the obligation of the banks to fund the Senior Credit Facility is not conditioned on the absence of a material adverse effect.

As market conditions warrant and subject to our contractual restrictions, liquidity position and other factors, we may from time to time seek to repurchase or retire our outstanding debt through cash purchases and/or exchanges for other debt or equity securities in open market transactions, privately negotiated transactions, by tender offer or otherwise. Any such cash repurchases by us may be funded by cash on hand or incurring new debt. The amounts involved in any such transactions, individually or in the aggregate, may be material. Furthermore, any such repurchases or exchanges may result in our acquiring and retiring a substantial amount of such indebtedness, which would impact the trading liquidity of such indebtedness.

Debt Ratings

We receive debt ratings from the major ratings agencies in the U.S. In determining our debt ratings, the agencies consider a number of qualitative and quantitative items including, but not limited to, commodity pricing levels, our liquidity, asset quality, reserve mix, debt levels, cost structure, planned asset sales and production growth opportunities. Our credit rating from Standard and Poor's Financial Services is BBB- with a positive outlook. Our credit rating from Fitch is BBB+ with a stable outlook. Our credit rating from Moody's Investor Service is Baa3 with a stable outlook. Any rating downgrades may result in additional letters of credit or cash collateral being posted under certain contractual arrangements.

There are no "rating triggers" in any of our contractual debt obligations that would accelerate scheduled maturities should our debt rating fall below a specified level. However, a downgrade could adversely impact our interest rate on any credit facility borrowings and the ability to economically access debt markets in the future.

Fixed Plus Variable Dividend

Following the closing of the Merger, we initiated a new "fixed plus variable" dividend strategy. Our Board of Directors will consider a number of factors when setting the quarterly dividend, if any, including a general target of paying out approximately 10% of operating cash flow through the fixed dividend. In February 2022, our Board of Directors increased our quarterly fixed dividend rate by 45% to $0.16 per share. In addition to the fixed quarterly dividend, we may pay a variable dividend up to 50% of our excess free cash flow, which is a non-GAAP measure. Each quarter's excess free cash flow is computed as operating cash flow (a GAAP measure) before balance sheet changes, less capital expenditures and the fixed dividend. The declaration and payment of any future dividend, whether fixed or variable, will remain at the full discretion of our Board of Directors and will depend on our financial results, cash requirements, future prospects, COVID-19 impacts and other factors deemed relevant by the Board. Devon paid $1.3 billion of total fixed and variable dividends during 2021.

In February 2022, Devon announced a cash dividend in the amount of $1.00 per share payable in the first quarter of 2022. The dividend consists of a fixed quarterly dividend in the amount of $106 million (or $0.16 per share) and a variable dividend in the amount of approximately $557 million (or $0.84 per share).

Share Repurchase Program

In February 2022, our Board of Directors increased our share repurchase program by an additional $0.6 billion. The $1.6 billion program expires December 31, 2022 and in the fourth quarter of 2021 we executed $0.6 billion of the authorized program.

Capital Expenditures

Our 2022 capital expenditure budget is expected to be approximately $2.1 billion to $2.4 billion.

Contractual Obligations

As of December 31, 2021, our material contractual obligations include debt, interest expense, asset retirement obligations, lease obligations, retained obligations related to our Barnett Shale assets and Canadian business, operational agreements, drilling and facility obligations and various tax obligations. As discussed above, we estimate the combination of our sources of capital will continue to be adequate to fund our short- and long-term contractual obligations, including the obligations we assumed through the Merger. See Notes 6, 8, 14, 15, 16 and 20 in "Item 8. Financial Statements and Supplementary Data" of this report for further discussion.

Contingencies and Legal Matters

For a detailed discussion of contingencies and legal matters, see Note 20 in "Item 8. Financial Statements and Supplementary Data" of this report.

Critical Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the U.S. requires us to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual amounts could differ from these estimates, and changes in these estimates are recorded when known. We consider the following to be our most critical accounting estimates that involve judgment and have reviewed these critical accounting estimates with the Audit Committee of our Board of Directors.

Purchase Accounting

Periodically we acquire assets and assume liabilities in transactions accounted for as business combinations, such as the Merger with WPX. In connection with the Merger, as the accounting acquirer, we allocated the $5.4 billion of purchase price consideration to the assets acquired and liabilities assumed based on estimated fair values as of the date of the Merger.

We made a number of assumptions in estimating the fair value of assets acquired and liabilities assumed in the Merger. The most significant assumptions relate to the estimated fair values of proved and unproved oil and gas properties. Since sufficient market data was not available regarding the fair values of proved and unproved oil and gas properties, we prepared estimates and engaged third-party valuation experts. Significant judgments and assumptions are inherent in these estimates and include, among other things, estimates of reserve quantities, estimates of future commodity prices, expected development costs, lease operating costs, reserve risk adjustment factors and an estimate of an applicable market participant discount rate that reflects the risk of the underlying cash flow estimates.

Estimated fair values ascribed to assets acquired can have a significant impact on future results of operations presented in Devon's financial statements. A higher fair value ascribed to a property results in higher DD&A expense, which results in lower net earnings. Fair values are based on estimates of future commodity prices, reserve quantities, development costs and operating costs. In the event that future commodity prices or reserve quantities are lower than those used as inputs to determine estimates of acquisition date fair values, the likelihood increases that certain costs may be determined to not be recoverable.

In addition to the fair value of proved and unproved oil and gas properties, other fair value assessments for the assets acquired and liabilities assumed in the Merger relate to debt, the equity method investment in Catalyst and out-of-market contract liabilities. The fair value of the assumed WPX publicly traded debt was based on available third-party quoted prices. We prepared estimates and engaged third-party valuation experts to assist in the valuation of the equity method investment in Catalyst. Significant judgments and assumptions inherent in this estimate included projected Catalyst cash flows, comparable companies cash flow multiples and an estimate of an applicable market participant discount rate. The fair value of assumed out-of-market contract assets and liabilities associated with longer-term marketing, gathering, processing and transportation contracts included significant judgments and assumptions related to determining the market rates, estimates of future reserves and production associated with the respective contracts and applying an applicable market participant discount rate.

Oil and Gas Assets Accounting, Classification, Reserves & Valuation

Successful Efforts Method of Accounting and Classification

We utilize the successful efforts method of accounting for our oil and natural gas exploration and development activities which requires management's assessment of the proper designation of wells and associated costs as developmental or exploratory. This classification assessment is dependent on the determination and existence of proved reserves, which is a critical estimate discussed in the section below. The classification of developmental and exploratory costs has a direct impact on the amount of costs we initially recognize as exploration expense or capitalize, then subject to DD&A calculations and impairment assessments and valuations.

Once a well is drilled, the determination that proved reserves have been discovered may take considerable time and requires both judgment and application of industry experience. Development wells are always capitalized. Costs associated with drilling an exploratory well are initially capitalized, or suspended, pending a determination as to whether proved reserves have been found. At the end of each quarter, management reviews the status of all suspended exploratory drilling costs to determine whether the costs should continue to remain capitalized or shall be expensed. When making this determination, management considers current activities, near-term plans for additional exploratory or appraisal drilling and the likelihood of reaching a development program. If management determines future development activities and the determination of proved reserves are unlikely to occur, the associated suspended exploratory well costs are recorded as dry hole expense and reported in exploration expense in the consolidated statements of comprehensive earnings. Otherwise, the costs of exploratory wells remain capitalized. At December 31, 2021, all suspended well costs have been suspended for less than one year.

Similar to the evaluation of suspended exploratory well costs, costs for undeveloped leasehold, for which reserves have not been proven, must also be evaluated for continued capitalization or impairment. At the end of each quarter, management assesses undeveloped leasehold costs for impairment by considering future drilling plans, drilling activity results, commodity price outlooks, planned future sales or expiration of all or a portion of such projects. At December 31, 2021, Devon had approximately $733 million of undeveloped leasehold costs. Of the remaining undeveloped leasehold costs at December 31, 2021, approximately $19 million is scheduled to expire in 2022. The leasehold expiring in 2022 relates to areas in which Devon is actively drilling. If our drilling is not successful, this leasehold could become partially or entirely impaired.

Reserves

Our estimates of proved and proved developed reserves are a major component of DD&A calculations. Additionally, our proved reserves represent the element of these calculations that require the most subjective judgments. Estimates of reserves are forecasts based on engineering data, projected future rates of production and the timing of future expenditures. The process of estimating oil, gas and NGL reserves requires substantial judgment, resulting in imprecise determinations, particularly for new discoveries. Different reserve engineers may make different estimates of reserve quantities based on the same data. Our engineers prepare our reserve estimates. We then subject certain of our reserve estimates to audits performed by a third-party petroleum consulting firm. In 2021, 88% of our reserves were subjected to such an audit.

The passage of time provides more qualitative information regarding estimates of reserves, when revisions are made to prior estimates to reflect updated information. In the past five years, annual performance revisions to our reserve estimates, which have been both increases and decreases in individual years, have averaged approximately 5% of the previous year's estimate. However, there can be no assurance that more significant revisions will not be necessary in the future. The data for a given reservoir may also change substantially over time as a result of numerous factors, including, but not limited to, additional development activity, evolving production history and continual reassessment of the viability of production under varying economic conditions.

Valuation of Long-Lived Assets

Long-lived assets used in operations, including proved and unproved oil and gas properties, are depreciated and assessed for impairment annually or whenever changes in facts and circumstances indicate a possible significant deterioration in future cash flows is expected to be generated by an asset group. For DD&A calculations and impairment assessments, management groups individual assets based on a judgmental assessment of the lowest level ("common operating field") for which there are identifiable cash flows that are largely independent of the cash flows of other groups of assets. The determination of common operating fields is largely based on geological structural features or stratigraphic condition, which requires judgment. Management also considers the nature of production, common infrastructure, common sales points, common processing plants, common regulation and management oversight to make common operating field determinations. These determinations impact the amount of DD&A recognized each period and could impact the determination and measurement of a potential asset impairment.

Management evaluates assets for impairment through an established process in which changes to significant assumptions such as prices, volumes and future development plans are reviewed. If, upon review, the sum of the undiscounted pre-tax cash flows is less than the carrying value of the asset group, the carrying value is written down to estimated fair value. Because there usually is a lack of quoted market prices for long-lived assets, the fair value of impaired assets is typically determined based on the present values of expected future cash flows using discount rates believed to be consistent with those used by principal market participants. The expected future cash flows used for impairment reviews and related fair value calculations are typically based on judgmental assessments of future production volumes, commodity prices, operating costs and capital investment plans, considering all available information at the date of review. The expected future cash flows used for impairment reviews include future production volumes associated with proved producing and risk-adjusted proved undeveloped reserves, and when needed, probable and possible reserves.

Besides the risk-adjusted estimates of reserves and future production volumes, future commodity prices are the largest driver in the variability of undiscounted pre-tax cash flows. For our impairment determinations, we utilize NYMEX forward strip prices and incorporate internally generated price forecasts along with price forecasts published by reputable investment banks and reservoir engineering firms to estimate our future revenues.

We also estimate and escalate or de-escalate future capital and operating costs by using a method that correlates cost movements to price movements similar to recent history. To measure indicated impairments, we use a market-based weighted-average cost of capital to discount the future net cash flows. Changes to any of the reserves or market-based assumptions can significantly affect estimates of undiscounted and discounted pre-tax cash flows and impact the recognition and amount of impairments.

Reduced demand from the COVID-19 pandemic and management of production levels from OPEC+ caused WTI pricing to decrease more than 60% during the first quarter of 2020. As a result, we reduced our planned 2020 capital investment 45%. With materially lower commodity prices and reduced near-term investment, we assessed all our oil and gas fields for impairment as of March 31, 2020 and recognized proved and unproved impairments totaling $2.8 billion. The impairments relate to our Anadarko Basin and Rockies fields in which our basis included acquisitions completed in 2016 and 2015, respectively, when commodity prices were much higher than the first quarter of 2020.

As a result of the impairments recognized in 2020 and the significant increases in commodity prices during 2021, none of our oil and gas assets were at risk of impairment as of December 31, 2021.

Income Taxes

The amount of income taxes recorded requires interpretations of complex rules and regulations of federal, state, provincial and foreign tax jurisdictions. We recognize current tax expense based on estimated taxable income for the current period and the applicable statutory tax rates. We routinely assess potential uncertain tax positions and, if required, estimate and establish accruals for such amounts. We have recognized deferred tax assets and liabilities for temporary differences, operating losses and other tax carryforwards. We routinely assess our deferred tax assets and reduce such assets by a valuation allowance if we deem it is more likely than not that some portion or all of the deferred tax assets will not be realized. Due to significant increases in commodity pricing and projections of future income, in the fourth quarter of 2021, Devon reassessed its evaluation of the realizability of deferred tax assets in future years and determined that a U.S. federal valuation allowance was no longer necessary. As such, Devon removed its remaining U.S. federal valuation allowance.

Further, in the event we were to undergo an “ownership change” (as defined in Section 382 of the Internal Revenue Code of 1986, as amended), our ability to use net operating losses and tax credits generated prior to the ownership change may be limited. Generally, an “ownership change” occurs if one or more shareholders, each of whom owns five percent or more in value of a corporation’s stock, increase their aggregate percentage ownership by more than 50% over the lowest percentage of stock owned by those shareholders at any time during the preceding three-year period. Based on currently available information, we do not believe an ownership change has occurred during 2021 for Devon, but the Merger did cause an ownership change for WPX and increased the likelihood Devon could experience an ownership change over the next two years. See Note 8 in “Item 8. Financial Statements and Supplementary Data” in this report for further discussion regarding our net operating losses and tax credits available to be carried forward and used in future years.

Goodwill

We test goodwill for impairment annually at October 31, or more frequently if events or changes in circumstances dictate that the carrying value of goodwill may not be recoverable. We perform a qualitative assessment to determine whether it is more likely than not that the fair value of goodwill is less than its carrying amount. As part of our qualitative assessment, we considered the general macro-economic, industry and market conditions, changes in cost factors, actual and expected financial performance, significant changes in management, strategy or customers and stock performance. If the qualitative assessment determines that a

quantitative goodwill impairment test is required, then the fair value is compared to the carrying value. If the fair value is less than the carrying value, an impairment charge will be recognized for the amount by which the carrying amount exceeds the fair value. Because quoted market prices are not available, the fair value is estimated based upon a valuation analysis including comparable companies and transactions and premiums paid. The determination of fair value requires judgment and involves the use of significant estimates and assumptions about expected future cash flows derived from internal forecasts and the impact of market conditions on those assumptions.

Because the trading price of our common stock decreased 73% during the first quarter of 2020 in response to the COVID-19 pandemic, we performed a goodwill impairment test as of March 31, 2020. The two most critical judgments included in the March 31, 2020, test were the period utilized to determine Devon's market capitalization and the control premium. For the test performed as of March 31, 2020 we derived our market capitalization by using our average common stock price from the latter two thirds of March 2020 to align with the time in the quarter subsequent to a key OPEC+ meeting and the date COVID-19 was officially classified as a pandemic. We applied a control premium based on recent comparable market transactions. We concluded an impairment was not required as of March 31, 2020. For the remainder of 2020, no impairment was required as Devon's common stock price increased 129% subsequent to the end of the first quarter of 2020. Furthermore, based on our qualitative assessment as of October 31, 2021, no impairment occurred in 2021.

Although our common stock price and commodity prices have increased significantly during 2021, we are subject to commodity price volatility. A sustained period of depressed commodity prices would adversely affect our estimates of future operating results, which could result in future goodwill impairments due to the potential impact on the cash flows of our operations. The impairment of goodwill has no effect on liquidity or capital resources. However, it would adversely affect our results of operations in the period recognized.

Non-GAAP Measures

Core Earnings

We make reference to "core earnings (loss) attributable to Devon" and "core earnings (loss) per share attributable to Devon" in "Overview of 2021 Results" in this Item 7 that are not required by or presented in accordance with GAAP. These non-GAAP measures are not alternatives to GAAP measures and should not be considered in isolation or as a substitute for analysis of our results reported under GAAP. Core earnings (loss) attributable to Devon, as well as the per share amount, represent net earnings (loss) excluding certain noncash and other items that are typically excluded by securities analysts in their published estimates of our quarterly financial results. For more information on the results of discontinued operations for our Barnett Shale assets and Canadian operations, see Note 19 in "Item 8. Financial Statements and Supplementary Data" in this report. Our non-GAAP measures are typically used as a quarterly performance measure. Amounts excluded for 2021 relate to asset dispositions, noncash asset impairments (including unproved asset impairments), deferred tax asset valuation allowance, changes in tax legislation, fair value changes in derivative financial instruments, costs associated with the early retirement of debt and restructuring and transaction costs associated with the workforce reductions in 2021.

Amounts excluded for 2020 relate to asset dispositions, noncash asset impairments (including unproved asset impairments), deferred tax asset valuation allowance, fair value changes in derivative financial instruments and foreign currency, change in tax legislation and restructuring and transaction costs associated with the workforce reductions in 2020.

We believe these non-GAAP measures facilitate comparisons of our performance to earnings estimates published by securities analysts. We also believe these non-GAAP measures can facilitate comparisons of our performance between periods and to the performance of our peers.

Below are reconciliations of our core earnings and earnings per share to their comparable GAAP measures.

	Year Ended December 31,			
	Before Tax	After Tax	After Noncontrolling Interests	Per Diluted Share
2021				
Total				
Earnings attributable to Devon (GAAP)	$ 2,898	$ 2,833	$ 2,813	$ 4.19
Adjustments:				
Asset dispositions	(168)	(129)	(129)	(0.19)
Asset and exploration impairments	6	5	5	0.01
Deferred tax asset valuation allowance	—	(639)	(639)	(0.95)
Change in tax legislation	—	60	60	0.09
Fair value changes in financial instruments	82	63	63	0.09
Restructuring and transaction costs	258	224	224	0.33
Early retirement of debt	(30)	(23)	(23)	(0.04)
Core earnings attributable to Devon (Non-GAAP)	$ 3,046	$ 2,394	$ 2,374	$ 3.53
2020				
Continuing Operations				
Loss attributable to Devon (GAAP)	$ (3,090)	$ (2,543)	$ (2,552)	$ (6.78)
Adjustments:				
Asset dispositions	(1)	—	—	—
Asset and exploration impairments	2,847	2,207	2,207	5.87
Deferred tax asset valuation allowance	—	230	230	0.60
Fair value changes in financial instruments	161	125	125	0.32
Change in tax legislation	—	(113)	(113)	(0.29)
Restructuring and transaction costs	49	38	38	0.10
Core loss attributable to Devon (Non-GAAP)	$ (34)	$ (56)	$ (65)	$ (0.18)
Discontinued Operations				
Loss attributable to Devon (GAAP)	$ (152)	$ (128)	$ (128)	$ (0.34)
Adjustments:				
Asset dispositions	1	19	19	0.05
Asset impairments	182	143	143	0.37
Fair value changes in foreign currency and other	(8)	(5)	(5)	(0.01)
Restructuring and transaction costs	9	6	6	0.02
Core earnings attributable to Devon (Non-GAAP)	$ 32	$ 35	$ 35	$ 0.09
Total				
Loss attributable to Devon (GAAP)	$ (3,242)	$ (2,671)	$ (2,680)	$ (7.12)
Adjustments:				
Continuing Operations	3,056	2,487	2,487	6.60
Discontinued Operations	184	163	163	0.43
Core loss attributable to Devon (Non-GAAP)	$ (2)	$ (21)	$ (30)	$ (0.09)

	Year ended December 31,			
	Before tax	After tax	After Noncontrolling Interests	Per Diluted Share
2019				
Continuing Operations				
Loss attributable to Devon (GAAP)	$ (109)	$ (79)	$ (81)	$ (0.21)
Adjustments:				
Asset dispositions	(48)	(37)	(37)	(0.09)
Asset and exploration impairments	20	15	15	0.04
Fair value changes in financial instruments	623	480	480	1.19
Restructuring and transaction costs	84	64	64	0.15
Core earnings attributable to Devon (Non-GAAP)	$ 570	$ 443	$ 441	$ 1.08
Discontinued Operations				
Loss attributable to Devon (GAAP)	$ (632)	$ (274)	$ (274)	$ (0.68)
Adjustments:				
Gain on sale of Canadian operations	(223)	(425)	(425)	(1.05)
Asset and exploration impairments	785	613	613	1.52
Deferred tax asset valuation allowance	—	24	24	0.06
Early retirement of debt	58	45	45	0.11
Fair value changes in financial instruments and foreign currency and other	(33)	(37)	(37)	(0.10)
Restructuring and transaction costs	248	183	183	0.45
Core earnings attributable to Devon (Non-GAAP)	$ 203	$ 129	$ 129	$ 0.31
Total				
Loss attributable to Devon (GAAP)	$ (741)	$ (353)	$ (355)	$ (0.89)
Adjustments:				
Continuing Operations	679	522	522	1.29
Discontinued Operations	835	403	403	0.99
Core earnings attributable to Devon (Non-GAAP)	$ 773	$ 572	$ 570	$ 1.39

EBITDAX and Field-Level Cash Margin

To assess the performance of our assets, we use EBITDAX and Field-Level Cash Margin. We compute EBITDAX as net earnings from continuing operations before income tax expense; financing costs, net; exploration expenses; DD&A; asset impairments; asset disposition gains and losses; non-cash share-based compensation; non-cash valuation changes for derivatives and financial instruments; restructuring and transaction costs; accretion on discounted liabilities; and other items not related to our normal operations. Field-Level Cash Margin is computed as oil, gas and NGL revenues less production expenses. Production expenses consist of lease operating, gathering, processing and transportation expenses, as well as production and property taxes.

We exclude financing costs from EBITDAX to assess our operating results without regard to our financing methods or capital structure. Exploration expenses and asset disposition gains and losses are excluded from EBITDAX because they generally are not indicators of operating efficiency for a given reporting period. DD&A and impairments are excluded from EBITDAX because capital expenditures are evaluated at the time capital costs are incurred. We exclude share-based compensation, valuation changes, restructuring and transaction costs, accretion on discounted liabilities and other items from EBITDAX because they are not considered a measure of asset operating performance.

We believe EBITDAX and Field-Level Cash Margin provide information useful in assessing our operating and financial performance across periods. EBITDAX and Field-Level Cash Margin as defined by Devon may not be comparable to similarly titled measures used by other companies and should be considered in conjunction with net earnings from continuing operations.

Below are reconciliations of net earnings to EBITDAX and a further reconciliation to Field-Level Cash Margin.

	Year ended December 31,		
	2021	2020	2019
Net earnings (loss) (GAAP)	$ 2,833	$ (2,671)	$ (353)
Net loss from discontinued operations, net of tax	—	128	274
Financing costs, net	329	270	250
Income tax expense (benefit)	65	(547)	(30)
Exploration expenses	14	167	58
Depreciation, depletion and amortization	2,158	1,300	1,497
Asset impairments	—	2,693	—
Asset dispositions	(168)	(1)	(48)
Share-based compensation	77	76	83
Derivative and financial instrument non-cash valuation changes	82	161	623
Restructuring and transaction costs	258	49	84
Accretion on discounted liabilities and other	(43)	(34)	5
EBITDAX (Non-GAAP)	5,605	1,591	2,443
Marketing and midstream revenues and expenses, net	19	35	(53)
Commodity derivative cash settlements	1,462	(316)	(170)
General and administrative expenses, cash-based	314	262	392
Field-level cash margin (Non-GAAP)	$ 7,400	$ 1,572	$ 2,612

Item 7A. ***Quantitative and Qualitative Disclosures about Market Risk***

The primary objective of the following information is to provide forward-looking quantitative and qualitative information about our potential exposure to market risks. The term "market risk" refers to our risk of loss arising from adverse changes in oil, gas and NGL prices, interest rates and foreign currency exchange rates. The following disclosures are not meant to be precise indicators of expected future losses but rather indicators of reasonably possible losses. This forward-looking information provides indicators of how we view and manage our ongoing market risk exposures. All of our market risk sensitive instruments were entered into for purposes other than speculative trading.

Commodity Price Risk

Our major market risk exposure is the pricing applicable to our oil, gas and NGL production. Realized pricing is primarily driven by the prevailing worldwide price for crude oil and spot market prices applicable to our gas and NGL production. Pricing for oil and gas production has been volatile and unpredictable as discussed in "Item 1A. Risk Factors" of this report. Consequently, we systematically hedge a portion of our production through various financial transactions. The key terms to our oil and gas derivative financial instruments as of December 31, 2021 are presented in Note 3 in "Item 8. Financial Statements and Supplementary Data" of this report.

The fair values of our commodity derivatives are largely determined by estimates of the forward curves of the relevant price indices. At December 31, 2021, a 10% change in the forward curves associated with our commodity derivative instruments would have changed our net positions by approximately $195 million.

Interest Rate Risk

At December 31, 2021, we had total debt of $6.5 billion. All of our debt is based on fixed interest rates averaging 5.8%.

Foreign Currency Risk

We had no material foreign currency risk at December 31, 2021.

Item 8. ***Financial Statements and Supplementary Data***

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS
AND CONSOLIDATED FINANCIAL STATEMENT SCHEDULES

All financial statement schedules are omitted as they are inapplicable or the required information has been included in the consolidated financial statements or notes thereto.

Report of Independent Registered Public Accounting Firm

To the Stockholders and Board of Directors
Devon Energy Corporation:

Opinions on the Consolidated Financial Statements *and Internal Control Over Financial Reporting*

We have audited the accompanying consolidated balance sheets of Devon Energy Corporation and subsidiaries (the Company) as of December 31, 2021 and 2020, the related consolidated statements of comprehensive earnings, equity, and cash flows for each of the years in the three-year period ended December 31, 2021, and the related notes (collectively, the consolidated financial statements). We also have audited 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.

In our opinion, the consolidated financial statements referred to above 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. Also 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.

Basis for Opinions

The Company's management is responsible for these consolidated financial statements, 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 Report on Internal Control Over Financial Reporting contained in "Item 9A. Controls and Procedures". Our responsibility is to express an opinion on the Company's consolidated financial statements and an opinion on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (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 audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements 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. 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 audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

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.

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.

Fair value measurement of oil and gas properties acquired in the WPX business combination

As discussed in Note 2 to the consolidated financial statements, on January 7, 2021, the Company and WPX completed an all-stock merger of equals. The Company was treated as the accounting acquirer, and as a result of the transaction, the Company acquired both proved and unproved oil and gas properties. The acquisition-date fair value for the oil and gas properties was $9.4 billion.

We identified the evaluation of the initial fair value measurement of the oil and gas properties acquired in the WPX transaction as a critical audit matter. The Company used the income approach methodology in estimating the initial fair value of the acquired oil and gas properties. There was a high degree of subjective auditor judgment in evaluating the key assumptions used to estimate the discounted future cash flows of the proved and unproved oil and gas properties as changes to the assumptions used could have a significant effect on the determination of the initial fair values. The key assumptions used in these estimates were forecasted commodity prices, forecasted operating and capital costs, future production quantities, risk adjustment factors associated with the proved and unproved reserve volumes, and the discount rate applied to determine fair value.

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 acquisition-date valuation process to develop and analyze the key assumptions, as listed above, used to measure the initial fair value of the acquired oil and gas properties. We assessed compliance of the methodology used by the Company's internal reservoir engineers to estimate proved and unproved oil and gas reserves with industry and regulatory standards. We compared the estimated future proved and unproved production quantities used by the Company to historical WPX production volumes. We evaluated the professional qualifications of the Company's internal reservoir engineers and the knowledge, skills, and ability of the Company's internal reservoir engineers. We also tested the processes and methodologies used by internal reservoir engineers to estimate unproved future production quantities for consistency with industry and professional standards. We evaluated the forecasted operating and capital cost assumptions used by the internal reservoir engineers to estimate future cash flows by comparing them to WPX's historical costs. We tested the relevant market differentials that were applied to the forecasted commodity price assumptions based on past results. In addition, we involved valuation professionals with specialized skills and knowledge, who assisted in:

- Evaluating the discount rate by comparing it against a discount rate range that was independently developed using publicly available market data for comparable entities.
- Evaluating the forecasted commodity price assumptions by comparing to an independently developed range of forward price estimates from analysts and other industry sources.
- Evaluating the risk adjustment factors associated with the proved and unproved reserves selected by the Company, by comparing to the guideline factors ranges by reserve class in published industry surveys.

Estimate of proved oil and gas reserves used in the depletion of proved oil and gas properties

As discussed in Notes 1 and 13 to the consolidated financial statements, the Company calculates depletion for its proved oil and gas properties subject to amortization using a units-of-production method. The rates used to deplete the balance of oil and gas properties subject to amortization are set using the estimate of proved oil and gas reserves by common operating field. Under the units-of-production method, a rate is set annually using the beginning of year balance of oil and gas properties subject to amortization and estimated proved oil and gas reserves for each common operating field. That rate is then applied to production throughout the year to determine the amount of depletion expense to be recorded by common operating field. The Company also periodically evaluates whether changes in the estimated proved oil and gas reserves for each common operating field have occurred that would require a change in the rate of depletion to be applied to the production realized. The Company's internal reservoir engineers estimate proved oil and gas reserves, and the Company engages external reservoir engineers to perform an independent evaluation of a portion of the estimates of proved oil and gas reserves. The company recorded depletion expense of $2.0 billion for the year ended December 31, 2021.

We identified the estimate of proved oil and gas reserves used in the depletion of proved oil and gas properties as a critical audit matter. There was a high degree of subjectivity in evaluating the Company's estimate of the proved oil and gas reserves used as an input to determine depletion for each common operating field.

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 depletion expense process, including controls related to the estimate of proved oil and gas reserves. We analyzed and assessed the determination of depletion expense for compliance with industry and regulatory standards. To assess the Company's ability to accurately estimate proved oil and gas reserves, we compared the estimated future production quantities assumptions used by the Company in prior periods to the actual production amounts realized and the current year-end future production quantities forecasted. We compared the estimated future production quantities used by the Company in the current period to historical production trends and investigated differences We evaluated (1) the professional qualifications of the Company's internal reservoir engineers as well as the external reservoir engineers and external engineering firm, (2) the knowledge, skills, and ability of the Company's internal and external reservoir engineers, and (3) the relationship of the external reservoir engineers and external engineering firm to the Company. We read and considered the report of the Company's external reservoir engineers in connection with our evaluation of the Company's reserve estimates.

/s/ KPMG, LLP

We have served as the Company's auditor since 1980.

Oklahoma City, Oklahoma
February 16, 2022

DEVON ENERGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE EARNINGS

	Year Ended December 31,		
	2021	2020	2019
	(Millions, except per share amounts)		
Oil, gas and NGL sales	$ 9,531	$ 2,695	$ 3,809
Oil, gas and NGL derivatives	(1,544)	155	(454)
Marketing and midstream revenues	4,219	1,978	2,865
Total revenues	12,206	4,828	6,220
Production expenses	2,131	1,123	1,197
Exploration expenses	14	167	58
Marketing and midstream expenses	4,238	2,013	2,812
Depreciation, depletion and amortization	2,158	1,300	1,497
Asset impairments	—	2,693	—
Asset dispositions	(168)	(1)	(48)
General and administrative expenses	391	338	475
Financing costs, net	329	270	250
Restructuring and transaction costs	258	49	84
Other, net	(43)	(34)	4
Total expenses	9,308	7,918	6,329
Earnings (loss) from continuing operations before income taxes	2,898	(3,090)	(109)
Income tax expense (benefit)	65	(547)	(30)
Net earnings (loss) from continuing operations	2,833	(2,543)	(79)
Net loss from discontinued operations, net of income taxes	—	(128)	(274)
Net earnings (loss)	2,833	(2,671)	(353)
Net earnings attributable to noncontrolling interests	20	9	2
Net earnings (loss) attributable to Devon	$ 2,813	$ (2,680)	$ (355)
Basic net earnings (loss) per share:			
Basic earnings (loss) from continuing operations per share	$ 4.20	$ (6.78)	$ (0.21)
Basic loss from discontinued operations per share	—	(0.34)	(0.68)
Basic net earnings (loss) per share	$ 4.20	$ (7.12)	$ (0.89)
Diluted net earnings (loss) per share:			
Diluted earnings (loss) from continuing operations per share	$ 4.19	$ (6.78)	$ (0.21)
Diluted loss from discontinued operations per share	—	(0.34)	(0.68)
Diluted net earnings (loss) per share	$ 4.19	$ (7.12)	$ (0.89)
Comprehensive earnings (loss):			
Net earnings (loss)	$ 2,833	$ (2,671)	$ (353)
Other comprehensive earnings (loss), net of tax:			
Foreign currency translation, discontinued operations	—	—	78
Release of Canadian cumulative translation adjustment, discontinued operations	—	—	(1,237)
Pension and postretirement plans	(5)	(8)	13
Other comprehensive loss, net of tax	(5)	(8)	(1,146)
Comprehensive earnings (loss):	2,828	(2,679)	(1,499)
Comprehensive earnings attributable to noncontrolling interests	20	9	2
Comprehensive earnings (loss) attributable to Devon	$ 2,808	$ (2,688)	$ (1,501)

See accompanying notes to consolidated financial statements.

DEVON ENERGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year Ended December 31,		
	2021	**2020**	**2019**
Cash flows from operating activities:			
Net earnings (loss)	$ 2,833	$ (2,671)	$ (353)
Adjustments to reconcile net earnings (loss) to net cash from operating activities:			
Net loss from discontinued operations, net of income taxes	—	128	274
Depreciation, depletion and amortization	2,158	1,300	1,497
Asset impairments	—	2,693	—
Leasehold impairments	4	152	18
(Amortization) accretion of liabilities	(27)	32	33
Total (gains) losses on commodity derivatives	1,544	(155)	454
Cash settlements on commodity derivatives	(1,462)	316	166
Gains on asset dispositions	(168)	(1)	(48)
Deferred income tax expense (benefit)	49	(328)	(25)
Share-based compensation	99	88	115
Early retirement of debt	(30)	—	—
Other	15	5	(6)
Changes in assets and liabilities, net	(116)	(95)	(82)
Net cash from operating activities - continuing operations	4,899	1,464	2,043
Cash flows from investing activities:			
Capital expenditures	(1,989)	(1,153)	(1,910)
Acquisitions of property and equipment	(18)	(8)	(31)
Divestitures of property and equipment	79	34	390
WPX acquired cash	344	—	—
Distributions from equity method investments	35	—	—
Contributions to equity method investments	(25)	—	—
Net cash from investing activities - continuing operations	(1,574)	(1,127)	(1,551)
Cash flows from financing activities:			
Repayments of long-term debt	(1,243)	—	(162)
Early retirement of debt	(59)	—	—
Repurchases of common stock	(589)	(38)	(1,849)
Dividends paid on common stock	(1,315)	(257)	(140)
Contributions from noncontrolling interests	4	21	116
Distributions to noncontrolling interests	(21)	(14)	—
Acquisition of noncontrolling interests	(24)	—	—
Shares exchanged for tax withholdings and other	(45)	(18)	(26)
Net cash from financing activities - continuing operations	(3,292)	(306)	(2,061)
Effect of exchange rate changes on cash - continuing operations	1	—	—
Net change in cash, cash equivalents and restricted cash of continuing operations	34	31	(1,569)
Cash flows from discontinued operations:			
Operating activities	—	(110)	28
Investing activities	—	481	2,472
Financing activities	—	—	(1,578)
Effect of exchange rate changes on cash	—	(9)	45
Net change in cash, cash equivalents and restricted cash of discontinued operations	—	362	967
Net change in cash, cash equivalents and restricted cash	34	393	(602)
Cash, cash equivalents and restricted cash at beginning of period	2,237	1,844	2,446
Cash, cash equivalents and restricted cash at end of period	$ 2,271	$ 2,237	$ 1,844
Reconciliation of cash, cash equivalents and restricted cash:			
Cash and cash equivalents	$ 2,099	$ 2,047	$ 1,464
Restricted cash	172	190	380
Total cash, cash equivalents and restricted cash	$ 2,271	$ 2,237	$ 1,844

See accompanying notes to consolidated financial statements.

DEVON ENERGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

	December 31, 2021	December 31, 2020
ASSETS		
Current assets:		
Cash, cash equivalents and restricted cash	$ 2,271	$ 2,237
Accounts receivable	1,543	601
Income taxes receivable	83	174
Other current assets	352	248
Total current assets	4,249	3,260
Oil and gas property and equipment, based on successful efforts accounting, net	13,536	4,436
Other property and equipment, net ($111 million and $102 million related to CDM in 2021 and 2020, respectively)	1,472	957
Total property and equipment, net	15,008	5,393
Goodwill	753	753
Right-of-use assets	235	223
Investments	402	12
Other long-term assets	378	271
Total assets	$ 21,025	$ 9,912
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable	$ 500	$ 242
Revenues and royalties payable	1,456	662
Other current liabilities	1,131	536
Total current liabilities	3,087	1,440
Long-term debt	6,482	4,298
Lease liabilities	252	246
Asset retirement obligations	468	358
Other long-term liabilities	1,050	551
Deferred income taxes	287	—
Stockholders' equity:		
Common stock, $0.10 par value. Authorized 1.0 billion shares; issued 663 million and 382 million shares in 2021 and 2020, respectively	66	38
Additional paid-in capital	7,636	2,766
Retained earnings	1,692	208
Accumulated other comprehensive loss	(132)	(127)
Total stockholders’ equity attributable to Devon	9,262	2,885
Noncontrolling interests	137	134
Total equity	9,399	3,019
Total liabilities and equity	$ 21,025	$ 9,912

See accompanying notes to consolidated financial statements.

DEVON ENERGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF EQUITY

	Common Stock		Additional Paid-In	Retained	Other Comprehensive Earnings	Treasury	Noncontrolling	Total
	Shares	Amount	Capital	Earnings	(Loss)	Stock	Interests	Equity
				(Unaudited)				
Balance as of December 31, 2018	450	$ 45	$ 4,486	$ 3,650	$ 1,027	$ (22)	$ —	$ 9,186
Effect of adoption of lease accounting	—	—	—	(7)	—	—	—	(7)
Net earnings (loss)	—	—	—	(355)	—	—	2	(353)
Other comprehensive loss, net of tax	—	—	—	—	(1,146)	—	—	(1,146)
Restricted stock grants, net of cancellations	3	—	—	—	—	—	—	—
Common stock repurchased	—	—	—	—	—	(1,852)	—	(1,852)
Common stock retired	(71)	(7)	(1,867)	—	—	1,874	—	—
Common stock dividends	—	—	—	(140)	—	—	—	(140)
Share-based compensation	—	—	116	—	—	—	—	116
Contributions from noncontrolling interests	—	—	—	—	—	—	116	116
Balance as of December 31, 2019	382	$ 38	$ 2,735	$ 3,148	$ (119)	$ —	$ 118	$ 5,920
Net earnings (loss)	—	—	—	(2,680)	—	—	9	(2,671)
Other comprehensive loss, net of tax	—	—	—	—	(8)	—	—	(8)
Restricted stock grants, net of cancellations	3	—	—	—	—	—	—	—
Common stock repurchased	—	—	—	—	—	(57)	—	(57)
Common stock retired	(3)	—	(57)	—	—	57	—	—
Common stock dividends	—	—	—	(260)	—	—	—	(260)
Share-based compensation	—	—	88	—	—	—	—	88
Contributions from noncontrolling interests	—	—	—	—	—	—	21	21
Distributions to noncontrolling interests	—	—	—	—	—	—	(14)	(14)
Balance as of December 31, 2020	382	$ 38	$ 2,766	$ 208	$ (127)	$ —	$ 134	$ 3,019
Net earnings	—	—	—	2,813	—	—	20	2,833
Other comprehensive loss, net of tax	—	—	—	—	(5)	—	—	(5)
Restricted stock grants, net of cancellations	6	—	—	—	—	—	—	—
Common stock repurchased	—	—	—	—	—	(633)	—	(633)
Common stock retired	(16)	(1)	(632)	—	—	633	—	—
Common stock dividends	—	—	—	(1,329)	—	—	—	(1,329)
Common stock issued	290	29	5,403	—	—	—	—	5,432
Share-based compensation	1	—	99	—	—	—	—	99
Contributions from noncontrolling interests	—	—	—	—	—	—	3	3
Distributions to noncontrolling interests	—	—	—	—	—	—	(20)	(20)
Balance as of December 31, 2021	663	$ 66	$ 7,636	$ 1,692	$ (132)	$ —	$ 137	$ 9,399

See accompanying notes to consolidated financial statements.

1. Summary of Significant Accounting Policies

Devon is a leading independent energy company engaged primarily in the exploration, development and production of oil, natural gas and NGLs. Devon's operations are concentrated in various onshore areas in the U.S.

Devon and WPX completed an all-stock merger of equals on January 7, 2021. On the closing date of the Merger, each share of WPX common stock was automatically converted into the right to receive 0.5165 of a share of Devon common stock. The transaction has been accounted for using the acquisition method of accounting, with Devon being treated as the accounting acquirer. See Note 2 for further discussion.

As further discussed in Note 19, Devon sold its Barnett Shale assets on October 1, 2020 and sold its Canadian operations on June 27, 2019. Prior to December 31, 2020, activity relating to Devon's Barnett Shale assets and Canadian operations are classified as discontinued operations within Devon's consolidated statements of comprehensive earnings and consolidated statements of cash flows.

Accounting policies used by Devon and its subsidiaries conform to accounting principles generally accepted in the U.S. and reflect industry practices. The more significant of such policies are discussed below.

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of Devon, entities in which it holds a controlling interest and VIEs for which Devon is the primary beneficiary. All intercompany transactions have been eliminated. Undivided interests in oil and natural gas exploration and production joint ventures are consolidated on a proportionate basis. Investments in non-controlled entities, over which Devon has the ability to exercise significant influence over operating and financial policies, are accounted for using the equity method. In applying the equity method of accounting, the investments are initially recognized at cost and subsequently adjusted for Devon's proportionate share of earnings, losses, contributions and distributions.

Variable Interest Entity

Devon entered into an agreement in 2019 to form CDM, a partnership in the Delaware Basin, with an affiliate of QL Capital Partners, LP ("QLCP"). Devon holds a controlling interest in CDM and the portions of CDM's net earnings and equity not attributable to Devon's controlling interest are shown separately as noncontrolling interests in the accompanying consolidated statements of comprehensive earnings and consolidated balance sheets. CDM is considered a VIE to Devon.

Devon, through its controlling interest in CDM, has the power to direct the activities that significantly affect the economic performance of CDM and the obligation to absorb losses or the right to receive benefits that could be significant to CDM; therefore, Devon is considered the primary beneficiary and consolidates CDM. CDM maintains its own capital structure that is separate from Devon. During 2021, QLCP contributions to and distributions from CDM were approximately $3 million and $20 million, respectively. During 2020, QLCP contributions to and distributions from CDM were approximately $21 million and $14 million, respectively. During 2019, QLCP contributions to CDM were approximately $116 million, primarily associated with the CDM formation.

The assets of CDM cannot be used by Devon for general corporate purposes and are included in and disclosed parenthetically on Devon's consolidated balance sheets. The carrying amount of liabilities related to CDM for which the creditors do not have recourse to Devon's assets are also included in and disclosed parenthetically, if material, on Devon's consolidated balance sheets.

DEVON ENERGY CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

Investments

In conjunction with the Merger, Devon acquired an interest in Catalyst, which is a joint venture established among WPX, an affiliate of Howard Energy Partners, LLC ("HEP") and certain other investors, to develop oil gathering and natural gas processing infrastructure in the Stateline area of the Delaware Basin. Under the terms of the arrangement, Devon and a holding company owned by the other joint venture investors each have a 50% voting interest in the joint venture legal entity, and HEP serves as the operator. Through 2038, Devon's production from 50,000 net acres in the Stateline area of the Delaware Basin has been dedicated to Catalyst subject to fixed-fee oil gathering and natural gas processing agreements. The agreements do not include any minimum volume commitments. Devon accounts for the investment in Catalyst as an equity method investment.

Devon's investment in Catalyst is shown within investments on the consolidated balance sheet and Devon's share of Catalyst earnings are reflected as a component of other, net in the accompanying consolidated statements of comprehensive earnings.

Investments	% Interest	Carrying Amount
Catalyst	50%	$ 368
Other	Various	34
Total		$ 402

As of December 31, 2021, Devon's $368 million investment in Catalyst exceeded the underlying equity in net assets by approximately $125 million. The basis difference results primarily from intangible assets associated with Devon's acreage dedication and is amortized over the remaining 17-year term of the associated oil gathering and natural gas processing agreements.

After the closing of the Merger, Catalyst has provided certain gathering, processing and marketing services to Devon in the ordinary course of business. The impact from these services on Devon's consolidated statement of comprehensive earnings and consolidated balance sheet for the year ended and as of December 31, 2021, respectively, are summarized below.

	2021
Oil, gas and NGL sales	$ 264
Production expenses	$ 42
Accounts receivable	$ 22

Segment Information

Subsequent to the sale of Devon's Canadian business in 2019 discussed in Note 19, Devon's oil and gas exploration and production activities are solely focused in the U.S. For financial reporting purposes, Devon aggregates its U.S. operating segments into one reporting segment due to the similar nature of these operations.

DEVON ENERGY CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual amounts could differ from these estimates, and changes in these estimates are recorded when known. Significant items subject to such estimates and assumptions include the following:

- proved reserves and related present value of future net revenues;
- evaluation of suspended well costs;
- the carrying and fair values of oil and gas properties, other property and equipment and product and equipment inventories;
- derivative financial instruments;
- the fair value of reporting units and related assessment of goodwill for impairment;
- income taxes;
- asset retirement obligations;
- obligations related to employee pension and postretirement benefits;
- purchase accounting estimates used for assets acquired and liabilities assumed;
- legal and environmental risks and exposures; and
- general credit risk associated with receivables and other assets.

Revenue Recognition

Upstream Revenues

Upstream revenues include the sale of oil, gas and NGL production. Oil, gas and NGL sales are recognized when production is sold to a purchaser at a fixed or determinable price, delivery has occurred, control has transferred and collectability of the revenue is probable. Devon's performance obligations are satisfied at a point in time. This occurs when control is transferred to the purchaser upon delivery of contract specified production volumes at a specified point. The transaction price used to recognize revenue is a function of the contract billing terms. Revenue is invoiced, if required, by calendar month based on volumes at contractually based rates with payment typically received within 30 days of the end of the production month. Taxes assessed by governmental authorities on oil, gas and NGL sales are presented separately from such revenues in the accompanying consolidated statements of comprehensive earnings.

Devon acts as a principal in sales transactions when control of the product is retained prior to delivery to the ultimate third-party customer or acts as an agent when services are rendered on behalf of the principal in the transactions. A control-based assessment is performed to identify whether Devon is a principal or an agent in the transaction, which determines whether revenue and the related expenses are presented on a gross or net basis, respectively.

Oil sales

Devon's oil sales contracts are generally structured in one of two ways. First, production is sold at the wellhead at an agreed-upon index price, net of pricing differentials. In this scenario, revenue is recognized when control transfers to the purchaser at the wellhead at the net price received. Alternatively, production is delivered to

the purchaser at a contractually agreed-upon delivery point where the purchaser takes custody, title and risk of loss of the product. Under this arrangement, a third party is paid to transport the product and Devon receives a specified index price from the purchaser with no transportation deduction. In this scenario, revenue is recognized when control transfers to the purchaser at the delivery point based on the price received from the purchaser. The third-party costs are recorded as gathering, processing and transportation expense as a component of production expenses in the consolidated statements of comprehensive earnings.

Natural gas and NGL sales

Under Devon's natural gas processing contracts, natural gas is delivered to a midstream processing entity at the wellhead or the inlet of the midstream processing entity's system. The midstream processing entity gathers and processes the natural gas and remits proceeds for the resulting sales of NGLs and residue gas. In these scenarios, Devon evaluates whether it is the principal or the agent in the transaction. Devon has concluded it is the principal under these contracts and the ultimate third-party is the customer. Revenue is recognized on a gross basis, with gathering, processing and transportation fees presented as a component of production expenses in the consolidated statements of comprehensive earnings.

In certain natural gas processing agreements, Devon may elect to take residue gas and/or NGLs in-kind at the tailgate of the midstream entity's processing plant and subsequently market the product. Through the marketing process, the product is delivered to the ultimate third-party purchaser at a contractually agreed-upon delivery point, and Devon receives a specified index price from the purchaser. In this scenario, revenue is recognized when control transfers to the purchaser at the delivery point based on the index price received from the purchaser. The gathering, processing and compression fees attributable to the gas processing contract, as well as any transportation fees incurred to deliver the product to the purchaser, are presented as gathering, processing and transportation expense as a component of production expenses in the consolidated statements of comprehensive earnings.

Marketing Revenues

Marketing revenues are generated primarily as a result of Devon selling commodities purchased from third parties. Marketing revenues are recognized when performance obligations are satisfied. This occurs at the time contract-specified products are sold to third parties at a contractually fixed or determinable price, delivery occurs at a specified point or performance has occurred, control has transferred and collectability of the revenue is probable. The transaction price used to recognize revenue and invoice customers is based on a contractually stated fee or on a third party published index price plus or minus a known differential. Devon typically receives payment for invoiced amounts within 30 days. Marketing revenues and expenses attributable to oil, gas and NGL purchases are reported on a gross basis when Devon takes control of the products and has risks and rewards of ownership.

Midstream Revenues

Devon's reported midstream activity primarily relates to its interest in CDM. CDM provides gathering, compression and dehydration services to Devon and other producers' natural gas production. An evaluation is performed to determine whether CDM is a principal or agent in these transactions. Under the terms of these gathering, compression and dehydration contracts, CDM has concluded it is the agent as title to the gas production remains with the CDM affiliate producer or a third-party producer. Revenue is recognized on a net basis since CDM is strictly providing a service. Costs to maintain CDM's assets are presented as marketing and midstream expenses in the consolidated statements of comprehensive earnings. Revenue is recognized for sales at the time the gathering, compression and dehydration service has been rendered or performed.

DEVON ENERGY CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

Satisfaction of Performance Obligations and Revenue Recognition

Because Devon has a right to consideration from its customers in amounts that correspond directly to the value that the customer receives from the performance completed on each contract, Devon recognizes revenue for sales at the time the crude oil, natural gas or NGLs are delivered at a fixed or determinable price.

Transaction Price Allocated to Remaining Performance Obligations

Most of Devon's contracts are short-term in nature with a contract term of one year or less. Devon applies the practical expedient exempting the disclosure of the transaction price allocated to remaining performance obligations if the performance obligation is part of a contract that has an original expected duration of one year or less. For contracts with terms greater than one year, Devon applies the practical expedient exempting the disclosure of the transaction price allocated to remaining performance obligations if the variable consideration is allocated entirely to a wholly unsatisfied performance obligation. Under Devon's contracts, each unit of product typically represents a separate performance obligation; therefore, future volumes are wholly unsatisfied and disclosure of the transaction price allocated to remaining performance obligations is not required.

Contract Balances

Cash received relating to future performance obligations is deferred and recognized when all revenue recognition criteria are met. Contract liabilities generated from such deferred revenue are not considered material as of December 31, 2021. Devon's product sales and marketing contracts do not give rise to contract assets.

Disaggregation of Revenue

The following table presents revenue from contracts with customers that are disaggregated based on the type of good.

	Year Ended December 31,		
	2021	2020	2019
Oil	$ 6,996	$ 2,034	$ 2,988
Gas	1,104	326	391
NGL	1,431	335	430
Oil, gas and NGL sales	9,531	2,695	3,809
Oil	2,451	936	1,534
Gas	718	488	645
NGL	1,050	554	686
Marketing and midstream revenues	4,219	1,978	2,865
Total revenues from contracts with customers	$ 13,750	$ 4,673	$ 6,674

Customers

In both years ended December 31, 2021 and 2020, Devon had two customers that each amounted to 10% or more of our revenues for the respective year. Sales to those two customers accounted for approximately 19% and 12%, respectively, of Devon's sales revenue in 2021, and approximately 13% and 10%, respectively of Devon's sales revenue in 2020. During 2019, no purchaser accounted for more than 10% of Devon's revenue.

If any one of Devon's major customers were to stop purchasing our production, the Company believes there are a number of other purchasers to whom the company could sell Devon's production. If multiple significant customers were to discontinue purchasing Devon's production abruptly, the Company believes it would have the

resources needed to access alternative customers or markets and avoid or materially mitigate associated sales disruptions.

Derivative Financial Instruments

Devon is exposed to certain risks relating to its ongoing business operations, including risks related to commodity prices and interest rates. As discussed more fully below, Devon uses derivative instruments primarily to manage commodity price risk. Devon does not intend to issue or hold derivative financial instruments for speculative trading purposes.

Devon enters into derivative financial instruments with respect to a portion of its oil, gas and NGL production to hedge future prices received. Additionally, Devon periodically enters into derivative financial instruments with respect to a portion of its oil, gas and NGL marketing activities. These instruments are used to manage the inherent uncertainty of future revenues resulting from commodity price volatility. Devon's derivative financial instruments typically include financial price swaps, basis swaps and costless price collars. Under the terms of the price swaps, Devon receives a fixed price for its production and pays a variable market price to the contract counterparty. For the basis swaps, Devon receives a fixed differential between two regional index prices and pays a variable differential on the same two index prices to the contract counterparty. For price collars, Devon utilizes two-way price collars. The two-way price collars set a floor and ceiling price for the hedged production. If the applicable monthly price indices are outside of the ranges set by the floor and ceiling prices in the various collars, Devon will cash-settle the difference with the counterparty.

Devon periodically enters into interest rate swaps to manage its exposure to interest rate volatility. As of December 31, 2021, Devon did not have any open interest rate swap contracts.

All derivative financial instruments are recognized at their current fair value as either assets or liabilities in the balance sheet. Amounts related to contracts allowed to be netted upon payment subject to a master netting arrangement with the same counterparty are reported on a net basis in the balance sheet. Changes in the fair value of these derivative financial instruments are recorded in earnings unless specific hedge accounting criteria are met. For derivative financial instruments held during the three-year period ended December 31, 2021, Devon chose not to meet the necessary criteria to qualify its derivative financial instruments for hedge accounting treatment. Cash settlements with counterparties on Devon's derivative financial instruments are also recorded in earnings.

By using derivative financial instruments to hedge exposures to changes in commodity prices and interest rates, Devon is exposed to credit risk. Credit risk is the failure of the counterparty to perform under the terms of the derivative contract. To mitigate this risk, the hedging instruments are placed with a number of counterparties whom Devon believes are acceptable credit risks. It is Devon's policy to enter into derivative contracts only with investment-grade rated counterparties deemed by management to be competent and competitive market makers. Additionally, Devon's derivative contracts generally require cash collateral to be posted if either its or the counterparty's credit rating falls below certain credit rating levels. As of December 31, 2021, Devon held no cash collateral of its counterparties nor posted collateral to its counterparties.

General and Administrative Expenses

G&A is reported net of amounts reimbursed by working interest owners of the oil and gas properties operated by Devon.

DEVON ENERGY CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

Share-Based Compensation

Devon grants share-based awards to members of its Board of Directors, management and employees. All such awards are measured at fair value on the date of grant and are generally recognized as a component of G&A in the accompanying consolidated statements of comprehensive earnings over the applicable requisite service periods. As a result of Devon's restructuring activity discussed in Note 6, certain share-based awards were accelerated and recognized as a component of restructuring and transaction costs in the accompanying consolidated statements of comprehensive earnings.

Generally, Devon uses new shares from approved incentive programs to grant share-based awards and to issue shares upon stock option exercises. Shares repurchased under approved programs are generally available to be issued as part of Devon's share-based awards. However, Devon has historically canceled these shares upon repurchase.

Income Taxes

Devon is subject to current income taxes assessed by the federal and various state jurisdictions in the U.S. and by other foreign jurisdictions. In addition, Devon accounts for deferred income taxes related to these jurisdictions using the asset and liability method. Under this method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences and carryforwards are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

Deferred tax assets are also recognized for the future tax benefits attributable to the expected utilization of existing tax net operating loss carryforwards and other types of carryforwards. If the future utilization of some portion of the deferred tax assets is determined to be unlikely, a valuation allowance is provided to reduce the recorded tax benefits from such assets. Devon periodically weighs the positive and negative evidence to determine if it is more likely than not that some or all of the deferred tax assets will be realized. Forming a conclusion that a valuation allowance is not required is difficult when there is significant negative evidence, such as cumulative losses in recent years. See Note 8 for further discussion.

Devon recognizes the financial statement effects of tax positions when it is more likely than not, based on the technical merits, that the position will be sustained upon examination by a taxing authority. Recognized tax positions are initially and subsequently measured as the largest amount of tax benefit that is more likely than not of being realized upon ultimate settlement with a taxing authority. Liabilities for unrecognized tax benefits related to such tax positions are included in other long-term liabilities unless the tax position is expected to be settled within the upcoming year, in which case the liabilities are included in other current liabilities. Interest and penalties related to unrecognized tax benefits are included in current income tax expense.

Devon estimates its annual effective income tax rate in recording its provision for income taxes in the various jurisdictions in which it operates. Statutory tax rate changes and other significant or unusual items are recognized as discrete items in the period in which they occur.

Net Earnings (Loss) Per Share Attributable to Devon

Devon's basic earnings per share amounts have been computed based on the average number of shares of common stock outstanding for the period. Basic earnings per share includes the effect of participating securities, which primarily consist of Devon's outstanding restricted stock awards, as well as performance-based restricted stock awards that have met the requisite performance targets. Diluted earnings per share is calculated using the

treasury stock method to reflect the assumed issuance of common shares for all potentially dilutive securities. Such securities primarily consist of unvested performance share units.

Cash, Cash Equivalents and Restricted Cash

Devon considers all highly liquid investments with original contractual maturities of three months or less to be cash equivalents. Subsequent to the sale of its Canadian operations in 2019 and the sale of its Barnett Shale assets in 2020, management presented approximately $160 million and $190 million of Devon's cash balance as of December 31, 2021 and 2020, respectively, as restricted to fund retained long-term obligations related to the disposed assets. These obligations primarily relate to abandoned Canadian firm transportation and office lease agreements. This cash is not legally restricted and can be used by Devon for other general corporate purposes.

Accounts Receivable

Devon's accounts receivable balance primarily consists of oil and gas sales receivables, marketing and midstream revenue receivables and joint interest receivables for which Devon does not require collateral security.

Devon records an allowance for credit losses based on a forward-looking "expected loss" model. Credit risk is assessed by class of account type, which includes cash equivalents and oil and gas, marketing and midstream, joint interest and other accounts receivable. These classes are further evaluated using a probability-weighted scenario assessment based on historical losses and a probability of future default. This evaluation is supported by an assessment of risk factors such as the age of the receivable, current macro-economic conditions, credit rating of the counterparty and our historical loss rate.

Property and Equipment

Oil and Gas Property and Equipment

Devon follows the successful efforts method of accounting for its oil and gas properties. Exploration costs, such as exploratory geological and geophysical costs, and costs associated with nonproductive exploratory wells, delay rentals and exploration overhead are charged against earnings as incurred. Costs of drilling successful exploratory wells along with acquisition costs and the costs of drilling development wells, including those that are unsuccessful, are capitalized. Devon groups its oil and gas properties with a common geological structure or stratigraphic condition ("common operating field") for purposes of computing DD&A, assessing proved property impairments and accounting for asset dispositions.

Exploratory drilling costs and exploratory-type stratigraphic test wells are initially capitalized, or suspended, pending the determination of proved reserves. If proved reserves are found, drilling costs remain capitalized as proved properties. Costs of unsuccessful wells are charged to exploration expense. For exploratory wells that find reserves that cannot be classified as proved when drilling is completed, costs continue to be capitalized as suspended exploratory well 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. If management determines that future appraisal drilling or development activities are unlikely to occur, associated suspended exploratory well costs are expensed. In some instances, this determination may take longer than one year. Devon reviews the status of all suspended exploratory drilling costs quarterly.

Capitalized costs of proved oil and gas properties are depleted by an equivalent unit-of-production method, converting gas to oil at the ratio of six Mcf of gas to one Bbl of oil. Proved leasehold acquisition costs, less accumulated amortization, are depleted over total proved reserves, which includes proved undeveloped reserves.

DEVON ENERGY CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

Capitalized costs of wells and related equipment and facilities, including estimated asset retirement costs, net of estimated salvage values and less accumulated amortization are depreciated over proved developed reserves associated with those capitalized costs. Depletion is calculated by applying the DD&A rate (amortizable base divided by beginning of period proved reserves) to current period production.

Costs associated with unproved properties are excluded from the depletion calculation until it is determined whether or not proved reserves can be assigned to such properties. Devon assesses its unproved properties for impairment annually, or more frequently if events or changes in circumstances dictate that the carrying value of those assets may not be recoverable. Significant unproved properties are assessed individually.

Proved properties are assessed for impairment when events or changes in circumstances dictate that the carrying value of those assets may not be recoverable. Individual assets are grouped for impairment purposes based on a common operating field. If there is an indication the carrying amount of an asset may not be recovered, the asset is assessed for potential impairment by management through an established process. If, upon review, the sum of the undiscounted pre-tax reserve cash flows is less than the carrying value of the asset, the carrying value is written down to estimated fair value. Because there is usually a lack of quoted market prices for long-lived assets, the fair value of impaired assets is typically determined based on the present values of expected future cash flows using discount rates believed to be consistent with those used by principal market participants or by comparable transactions. The expected future cash flows used for impairment reviews and related fair value calculations are typically based on judgmental assessments of future production volumes, commodity prices, operating costs, and capital investment plans, considering all available information at the date of review.

Gains or losses are recorded for sales or dispositions of oil and gas properties which constitute an entire common operating field or which result in a significant alteration of the common operating field's DD&A rate. These gains and losses are classified as asset dispositions in the accompanying statements of comprehensive earnings. Partial common operating field sales or dispositions deemed not to significantly alter the DD&A rates are generally accounted for as adjustments to capitalized costs with no gain or loss recognized.

Devon capitalizes interest costs incurred that are attributable to material unproved oil and gas properties and major development projects of oil and gas properties.

Other Property and Equipment

Costs for midstream assets that are in use are depreciated over the assets' estimated useful lives, using the straight-line method. Depreciation and amortization of other property and equipment, including corporate and leasehold improvements, are provided using the straight-line method based on estimated useful lives ranging from three to 60 years. Interest costs incurred and attributable to major corporate construction projects are also capitalized.

Asset Retirement Obligations

Devon recognizes liabilities for retirement obligations associated with tangible long-lived assets, such as producing well sites when there is a legal obligation associated with the retirement of such assets and the amount can be reasonably estimated. The initial measurement of an asset retirement obligation is recorded as a liability at its fair value, with an offsetting asset retirement cost recorded as an increase to the associated property and equipment on the consolidated balance sheet. When the assumptions used to estimate a recorded asset retirement obligation change, a revision is recorded to both the asset retirement obligation and the asset retirement cost. Devon's asset retirement obligations also include estimated environmental remediation costs which arise from normal operations and are associated with the retirement of such long-lived assets. The asset retirement cost is depreciated using a systematic and rational method similar to that used for the associated property and equipment.

DEVON ENERGY CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

Leases

Devon establishes right-of-use assets and lease liabilities on the balance sheet for all leases with a term longer than 12 months. Devon's right-of-use operating lease assets are for certain leases related to real estate, drilling rigs and other equipment related to the exploration, development and production of oil and gas. Devon's right-of-use financing lease assets are related to real estate. Certain of Devon's lease agreements include variable payments based on usage or rental payments adjusted periodically for inflation. Devon's lease agreements do not contain any material residual value guarantees or restrictive covenants.

Goodwill

Goodwill represents the excess of the purchase price of business combinations over the fair value of the net assets acquired and is tested for impairment annually, or more frequently if events or changes in circumstances dictate that the carrying value of goodwill may not be recoverable. Such test includes a qualitative assessment to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount. If the qualitative assessment determines that it is more likely than not that the fair value of a reporting unit is less than its carrying amount, including goodwill, then a quantitative goodwill impairment test is performed. The quantitative goodwill impairment test requires the fair value of the reporting unit be compared to the carrying value of the reporting unit. If the fair value of the reporting unit is less than the carrying value, an impairment charge will be recognized for the amount by which the carrying amount exceeds the fair value. The fair value of the reporting unit is estimated based upon market capitalization, comparable transactions of similar companies and premiums paid.

Devon performed impairment tests of goodwill in the fourth quarters of 2021, 2020 and 2019. No impairment was required as a result of the annual tests in these time periods. Additionally, because the trading price of Devon's common stock decreased 73% during the first quarter of 2020 in response to the COVID-19 pandemic, Devon performed a goodwill impairment test as of March 31, 2020. Devon concluded an impairment was not required as of March 31, 2020.

Commitments and Contingencies

Liabilities for loss contingencies arising from claims, assessments, litigation or other sources are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated. Liabilities for environmental remediation or restoration claims resulting from allegations of improper operation of assets are recorded when it is probable that obligations have been incurred and the amounts can be reasonably estimated. Expenditures related to such environmental matters are expensed or capitalized in accordance with Devon's accounting policy for property and equipment.

Fair Value Measurements

Certain of Devon's assets and liabilities are measured at fair value at each reporting date. Fair value represents the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants. This price is commonly referred to as the "exit price." Fair value measurements are classified according to a hierarchy that prioritizes the inputs underlying the valuation techniques. This hierarchy consists of three broad levels:

- Level 1 – Inputs consist of unadjusted quoted prices in active markets for identical assets and liabilities and have the highest priority. When available, Devon measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value.

- Level 2 – Inputs consist of quoted prices that are generally observable for the asset or liability. Common examples of Level 2 inputs include quoted prices for similar assets and liabilities in active markets or quoted prices for identical assets and liabilities in markets not considered to be active.
- Level 3 – Inputs are not observable from objective sources and have the lowest priority. The most common Level 3 fair value measurement is an internally developed cash flow model.

Foreign Currency Translation Adjustments

The U.S. dollar is the functional currency for Devon's consolidated operations. Devon's divested Canadian operations used the Canadian dollar as the functional currency. Prior to completing the divestiture in 2019, assets and liabilities of the Canadian operations were translated to U.S. dollars using the applicable exchange rate as of the end of a reporting period. Revenues, expenses and cash flow were translated using an average exchange rate during the reporting period.

The disposition of substantially all of Devon's Canadian oil and gas assets and operations in 2019 resulted in Devon releasing its historical cumulative foreign currency translation adjustment of $1.2 billion from accumulated other comprehensive earnings to be included within the gain computation.

Noncontrolling Interests

Noncontrolling interests represent third-party ownership in the net assets of Devon's consolidated subsidiaries and are presented as a component of equity. Changes in Devon's ownership interests in subsidiaries that do not result in deconsolidation are recognized in equity.

2. Acquisitions and Divestitures

WPX Merger

On January 7, 2021, Devon and WPX completed an all-stock merger of equals. WPX was an oil and gas exploration and production company with assets in the Delaware Basin in Texas and New Mexico and the Williston Basin in North Dakota. On the closing date of the Merger, each share of WPX common stock was automatically converted into the right to receive 0.5165 of a share of Devon common stock. No fractional shares of Devon's common stock were issued in the Merger, and holders of WPX common stock instead received cash in lieu of fractional shares of Devon common stock, if any. Based on the closing price of Devon's common stock on January 7, 2021, the total value of Devon common stock issued to holders of WPX common stock as part of this transaction was approximately $5.4 billion. The Merger was structured as a tax-free reorganization for U.S. federal income tax purposes.

Purchase Price Allocation

The transaction was accounted for using the acquisition method of accounting, with Devon being treated as the accounting acquirer. Under the acquisition method of accounting, the assets and liabilities of WPX and its subsidiaries were recorded at their respective fair values as of the date of completion of the Merger and added to Devon's. Determining the fair value of the assets and liabilities of WPX requires judgment and certain assumptions to be made, the most significant of these being related to the valuation of WPX's oil and gas properties. Significant judgments and assumptions include, among other things, estimates of reserve quantities, estimates of future commodity prices, expected development costs, lease operating costs, reserve risk adjustment factors and an estimate of an applicable market participant discount rate that reflects the risk of the underlying cash flow estimates. The inputs and assumptions related to the oil and gas properties were categorized as level 3 in the fair value hierarchy.

DEVON ENERGY CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

The following table represents the final allocation of the total purchase price of WPX to the identifiable assets acquired and the liabilities assumed based on the fair values as of the acquisition date.

	Final Purchase Price Allocation
Consideration:	
WPX Common Stock outstanding	561.2
Exchange Ratio	0.5165
Devon common stock issued	289.9
Devon closing price on January 7, 2021	$ 18.57
Total common equity consideration	5,383
Share-based replacement awards	49
Total consideration	$ 5,432
Assets acquired:	
Cash, cash equivalents and restricted cash	$ 344
Accounts receivable	425
Other current assets	49
Right-of-use assets	38
Proved oil and gas property and equipment	7,017
Unproved and properties under development	2,362
Other property and equipment	485
Investments	400
Other long-term assets	43
Total assets acquired	$ 11,163
Liabilities assumed:	
Accounts payable	$ 346
Revenue and royalties payable	223
Other current liabilities	454
Debt	3,562
Lease liabilities	38
Asset retirement obligations	94
Deferred income taxes	249
Other long-term liabilities	765
Total liabilities assumed	5,731
Net assets acquired	$ 5,432

WPX Revenues and Earnings

The following table represents WPX's revenues and earnings included in Devon's consolidated statements of comprehensive earnings subsequent to the closing date of the Merger.

	Year Ended December 31, 2021
Total revenues	$ 5,734
Net earnings	$ 1,382

DEVON ENERGY CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

Pro Forma Financial Information

Due to the Merger closing on January 7, 2021, all activity in 2021 except for the first six days of January is included in Devon's consolidated statements of comprehensive earnings for the year ended December 31, 2021. The following unaudited pro forma financial information for the year ended December 31, 2020 is based on our historical consolidated financial statements adjusted to reflect as if the Merger had occurred on January 1, 2020. The information below reflects pro forma adjustments to conform WPX's historical financial information to Devon's financial statement presentation. The unaudited pro forma financial information is not necessarily indicative of what would have occurred if the Merger had been completed as of the beginning of the periods presented, nor is it indicative of future results.

	Year Ended December 31,	
Continuing operations:		**2020**
Total revenues	$	7,261
Net loss	$	(3,438)
Basic net loss per share	$	(5.16)

Divestitures – Continuing Operations

In the first quarter of 2021, Devon completed the sale of non-core assets in the Rockies for proceeds of $9 million, net of purchase price adjustments, and recognized a $35 million gain related to the sale. Devon received $4 million in contingent earnout payments related to this transaction in the first quarter of 2022 with the potential for up to an additional $4 million in the future. The total estimated proved reserves associated with these divested assets was approximately 3 MMBoe. As of December 31, 2020, the associated assets and liabilities were classified as assets held for sale and included in other current assets and other current liabilities, respectively.

In 2019, Devon received proceeds of approximately $390 million and recognized a $48 million net gain on asset dispositions, primarily from sales of non-core assets in the Permian Basin. In aggregate, the total estimated proved reserves associated with these divested assets were approximately 54 MMBoe.

Divestitures – Discontinued Operations

In the fourth quarter of 2020, Devon completed the sale of its Barnett Shale assets to BKV for proceeds, net of purchase price adjustments, of $490 million. The agreement with BKV provides for contingent earnout payments to Devon with upside participation beginning at a $2.75 Henry Hub natural gas price or a $50 WTI oil price. The contingent payment period commenced on January 1, 2021 and has a term of four years. Devon received $65 million in contingent earnout payments related to this transaction in the first quarter of 2022 and could receive up to an additional $195 million in contingent earnout payments for the remaining performance periods depending on future commodity prices. The valuation of the future contingent earnout payments included within other current assets and other long-term assets in the December 31, 2021 consolidated balance sheet was $65 million and $111 million, respectively. During 2021, Devon recorded a $110 million increase to the fair value within asset dispositions on the consolidated statements of comprehensive earnings related to these payments. These values were derived utilizing a Monte Carlo valuation model and qualify as a level 3 fair value measurement. Additional information can be found in Note 19.

In the second quarter of 2019, Devon completed the sale of substantially all of its oil and gas assets and operations in Canada to Canadian Natural Resources Limited for proceeds, net of purchase price adjustments, of $2.6 billion ($3.4 billion Canadian dollars), and recognized a pre-tax gain of $223 million ($425 million, net of tax, primarily due to a significant deferred tax benefit) in 2019. Additional information can be found in Note 19.

3. Derivative Financial Instruments

Commodity Derivatives

As of December 31, 2021, Devon had the following open oil derivative positions. The first table presents Devon's oil derivatives that settle against the average of the prompt month NYMEX WTI futures price. The second table presents Devon's oil derivatives that settle against the respective indices noted within the table.

	Price Swaps		Price Swaptions		Price Collars		
Period	Volume (Bbls/d)	Weighted Average Price ($/Bbl)	Volume (Bbls/d)	Weighted Average Price ($/Bbl)	Volume (Bbls/d)	Weighted Average Floor Price ($/Bbl)	Weighted Average Ceiling Price ($/Bbl)
Q1-Q4 2022	26,112	$ 43.75	10,000	$ 46.67	28,160	$ 51.44	$ 61.78
Q1-Q4 2023	—	$ —	—	$ —	1,110	$ 60.58	$ 70.58

	Oil Basis Swaps		
Period	Index	Volume (Bbls/d)	Weighted Average Differential to WTI ($/Bbl)
Q1-Q4 2022	BRENT	1,000	$ (7.75)
Q1-Q4 2022	NYMEX Roll	29,000	$ 0.45

As of December 31, 2021, Devon had the following open natural gas derivative positions. The first table presents Devon's natural gas derivatives that settle against the Inside FERC first of the month Henry Hub index and the end of month NYMEX index. The second table presents Devon's natural gas derivatives that settle against the respective indices noted within the table.

	Price Swaps (1)		Price Collars (2)		
Period	Volume (MMBtu/d)	Weighted Average Price ($/MMBtu)	Volume (MMBtu/d)	Weighted Average Floor Price ($/MMBtu)	Weighted Average Ceiling Price ($/MMBtu)
Q1-Q4 2022	110,986	$ 2.77	164,342	$ 2.78	$ 3.55
Q1-Q4 2023	4,959	$ 3.65	23,000	$ 3.32	$ 4.63

(1) Related to the 2022 open positions, 10,986 MMBtu/d settle against the Inside FERC first of month Henry Hub index at an average price of $3.40 and 100,000 MMBtu/d settle against the end of month NYMEX index at an average price of $2.70. All 2023 open positions settle against the Inside FERC first of month Henry Hub index.

(2) Price Collars settle against the Inside FERC first of month Henry Hub.

	Natural Gas Basis Swaps		
Period	Index	Volume (MMBtu/d)	Weighted Average Differential to Henry Hub ($/MMBtu)
Q1-Q4 2022	WAHA	70,000	$ (0.57)
Q1-Q4 2023	WAHA	70,000	$ (0.51)
Q1-Q4 2024	WAHA	40,000	$ (0.51)

As of December 31, 2021, Devon did not have any open NGL derivative positions.

DEVON ENERGY CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

Financial Statement Presentation

All derivative financial instruments are recognized at their current fair value as either assets or liabilities in the consolidated balance sheets. Amounts related to contracts allowed to be netted upon payment subject to a master netting arrangement with the same counterparty are reported on a net basis in the consolidated balance sheets. The table below presents a summary of these positions as of December 31, 2021 and 2020.

	December 31, 2021			December 31, 2020			
	Gross Fair Value	Amounts Netted	Net Fair Value	Gross Fair Value	Amounts Netted	Net Fair Value	Balance Sheet Classification
Commodity derivatives:							
Short-term derivative asset	$ 6	$ (4)	$ 2	$ 23	$ (18)	$ 5	Other current assets
Long-term derivative asset	6	—	6	1	—	1	Other long-term assets
Short-term derivative liability	(579)	4	(575)	(161)	18	(143)	Other current liabilities
Long-term derivative liability	(2)	—	(2)	(5)	—	(5)	Other long-term liabilities
Total derivative liability	$ (569)	$ —	$ (569)	$ (142)	$ —	$ (142)	

4. Share-Based Compensation

In 2017, Devon's stockholders approved the 2017 Plan. Subject to the terms of the 2017 Plan, awards may be made for a total of 33.5 million shares of Devon common stock, plus the number of shares available for issuance under the 2015 Plan (including shares subject to outstanding awards that were transferred to the 2017 Plan in accordance with its terms). The 2017 Plan authorizes the Compensation Committee, which consists of independent, non-management members of Devon's Board of Directors, to grant nonqualified and incentive stock options, restricted stock awards or units, performance units and stock appreciation rights to eligible employees. The 2017 Plan also authorizes the grant of nonqualified stock options, restricted stock awards or units and stock appreciation rights to non-employee directors. To calculate the number of shares that may be granted in awards under the 2017 Plan, options and stock appreciation rights represent one share and other awards represent 2.3 shares.

The vesting for certain share-based awards was accelerated in 2021, 2020 and 2019 in conjunction with the reduction of workforce activities described in Note 6 and is included in restructuring and transaction costs in the accompanying consolidated statements of comprehensive earnings.

The table below presents the share-based compensation expense included in Devon's accompanying consolidated statements of comprehensive earnings.

	Year Ended December 31,		
	2021	2020	2019
G&A	$ 77	$ 76	$ 83
Exploration expenses	1	1	1
Restructuring and transaction costs	21	11	31
Total	$ 99	$ 88	$ 115
Related income tax benefit	$ 13	$ —	$ 13

DEVON ENERGY CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

The following table presents a summary of Devon's unvested restricted stock awards and units, performance-based restricted stock awards and performance share units granted under the plans.

	Restricted Stock Awards & Units			Performance-Based Restricted Stock Awards			Performance Share Units		
	Awards/Units		Weighted Average Grant-Date Fair Value	Awards		Weighted Average Grant-Date Fair Value	Units		Weighted Average Grant-Date Fair Value
	(Thousands, except fair value data)								
Unvested at 12/31/20	5,316		$ 25.82	44		$ 44.70	1,994		$ 31.89
Granted	7,727	(1)	$ 19.74	—		$ —	861		$ 18.08
Vested	(5,188)		$ 22.29	(44)		$ 44.70	(754)		$ 37.40
Forfeited	(199)		$ 22.70	—		$ —	(25)		$ 36.04
Unvested at 12/31/21	7,656		$ 22.15	—		$ —	2,076	(2)	$ 24.12

(1) Due to the closing of the Merger, each share of WPX common stock was automatically converted into the right to receive 0.5165 of a share of Devon common stock. As a result, approximately 4.9 million awards related to the conversion of WPX equity awards to Devon equity awards.

(2) A maximum of 4.2 million common shares could be awarded based upon Devon's final TSR ranking.

The following table presents the aggregate fair value of awards and units that vested during the indicated period.

	2021	2020	2019
Restricted Stock Awards and Units	$ 115	$ 44	$ 127
Performance-Based Restricted Stock Awards	$ 1	$ 2	$ 4
Performance Share Units	$ 15	$ 10	$ 4

The following table presents the unrecognized compensation cost and the related weighted average recognition period associated with unvested awards and units as of December 31, 2021.

	Restricted Stock Awards/Units	Performance Share Units
Unrecognized compensation cost	$ 82	$ 13
Weighted average period for recognition (years)	2.4	1.7

Restricted Stock Awards and Units

Restricted stock awards and units are subject to the terms, conditions, restrictions and limitations, if any, that the Compensation Committee deems appropriate, including restrictions on continued employment. Generally, the service requirement for vesting ranges from one to four years. Dividends declared during the vesting period with respect to restricted stock awards and units will not be paid until the underlying award vests. Devon estimates the fair values of restricted stock awards and units as the closing price of Devon's common stock on the grant date of the award, which is expensed over the applicable vesting period.

DEVON ENERGY CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

Performance Share Units

Performance share units are granted to certain members of Devon's management and employees. Each unit that vests entitles the recipient to one share of Devon common stock. The vesting of these units is based on comparing Devon's TSR to the TSR of a predetermined group of peer companies over the specified three-year performance period. Subject to certain limits, the vesting of units may be between zero and 200% of the units granted depending on Devon's TSR as compared to the peer group on the vesting date.

At the end of the vesting period, recipients receive dividend equivalents with respect to the number of units vested. The fair value of each performance share unit is estimated as of the date of grant using a Monte Carlo simulation with the following assumptions used for all grants made under the plan: (i) a risk-free interest rate based on U.S. Treasury rates as of the grant date; (ii) a volatility assumption based on the historical realized price volatility of Devon and the designated peer group; and (iii) an estimated ranking of Devon among the designated peer group. The fair value of the unit on the date of grant is expensed over the applicable vesting period. The following table presents the assumptions related to performance share units granted.

	2021	2020	2019
Grant-date fair value	$ 18.08	$ 27.89	$28.43 - $29.53
Risk-free interest rate	0.18%	1.36%	2.48%
Volatility factor	67.8%	38.4%	39.1%
Contractual term (years)	2.89	2.89	2.89

5. Asset Impairments

The following table presents a summary of Devon's asset impairments. Unproved impairments shown below are included in exploration expenses in the consolidated statements of comprehensive earnings.

	Year Ended December 31,		
	2021	2020	2019
Proved oil and gas assets	$ —	$ 2,664	$ —
Other assets	—	29	—
Total asset impairments	$ —	$ 2,693	$ —
Unproved impairments	$ 4	$ 152	$ 18

Proved Oil and Gas and Other Asset Impairments

Reduced demand from the COVID-19 pandemic caused an unprecedented downturn in the price of oil. As a result, Devon reduced 2020 planned capital spend by 45% in March 2020. With materially lower commodity prices and reduced near-term investment, Devon assessed all of its oil and gas common operating fields for impairment as of March 31, 2020. For impairment determination, Devon historically utilized NYMEX forward strip prices for the first five years and applied internally generated price forecasts for subsequent years. In response to the COVID-19 pandemic, the NYMEX forward market became highly illiquid as evidenced by materially reduced trading volumes for periods beyond 2021. Therefore, Devon supplemented the NYMEX forward strip prices with price forecasts published by reputable investment banks and reservoir engineering firms to estimate future revenues as of March 31, 2020. For WTI, the range of pricing utilized in the first ten years of impairment reserve cash flows was approximately $23 to $50, and the weighted average of WTI pricing was approximately $39. For Henry Hub pricing utilized in the first ten years of impairment reserve cash flows, the range was approximately $1.29 - $2.63, with a weighted average Henry Hub price of approximately $1.85. To measure the indicated impairment in the first quarter of 2020, Devon used a market-based weighted-average cost of capital of 9% to discount the future net cash flows. These inputs are categorized as level 3 in the fair value hierarchy.

Devon recognized approximately $2.7 billion of proved asset impairments during the first quarter of 2020. These impairments related to the Anadarko Basin and Rockies fields in which the cost basis included acquisitions completed in 2016 and 2015, respectively, when commodity prices were much higher. During 2020, Devon recognized approximately $29 million of non-oil and gas asset impairments.

Unproved Impairments

Due to the downturn in the commodity price environment and reduced near-term investment as discussed above, Devon recognized $152 million of unproved impairments in 2020, primarily in the Rockies field. In 2021 and 2019, Devon allowed certain non-core acreage to expire without plans for development resulting in unproved impairments.

6. Restructuring and Transaction Costs

The following table summarizes Devon's restructuring and transaction costs.

	Year Ended December 31,		
	2021	2020	2019
Restructuring costs	$ 210	$ 41	$ 84
Transaction costs	48	8	—
Total costs	$ 258	$ 49	$ 84

2021 Merger Integration

In conjunction with the Merger closing, Devon recognized $210 million of restructuring expense in 2021 related to employee severance and termination benefits, settlements and curtailments from defined retirement benefits and contract terminations. Of these expenses, $66 million related to non-cash charges which primarily consisted of settlements and curtailments of defined retirement benefits of $41 million and the accelerated vesting of share-based grants of $21 million. Additionally, in conjunction primarily with the Merger closing, Devon recognized $48 million of transaction costs primarily comprised of bank, legal and accounting fees.

Prior Years' Restructurings

During 2020 and 2019, Devon sold assets, reduced its workforce and recognized restructuring expenses of $41 million and $84 million, respectively. Of these expenses recognized in 2020, $11 million and $9 million resulted from accelerated vesting of share-based grants and settlements and curtailments of defined retirement benefits, respectively. Of these expenses recognized in 2019, $31 million and $7 million resulted from accelerated vesting of share-based grants and settlements of defined retirement benefits, respectively.

The following table summarizes Devon's restructuring liabilities.

	Other Current Liabilities	Other Long-term Liabilities	Total
Balance as of December 31, 2019	$ 20	$ 1	$ 21
Changes related to prior years' restructurings	15	136	151
Balance as of December 31, 2020	$ 35	$ 137	$ 172
Changes related to 2021 merger integration	11	—	11
Changes related to prior years' restructurings	(8)	(26)	(34)
Balance as of December 31, 2021	$ 38	$ 111	$ 149

7. Other, Net

The following table summarizes Devon's other expenses presented in the accompanying consolidated comprehensive statement of earnings.

	Year Ended December 31,		
	2021	2020	2019
Asset retirement obligation accretion	$ 28	$ 20	$ 21
Severance and other non-income tax refunds	(39)	(40)	—
Other	(32)	(14)	(17)
Total	$ (43)	$ (34)	$ 4

During 2021 and 2020, Devon received severance and other non-income tax refunds of $39 million and $40 million, respectively, both of which related to prior periods.

8. Income Taxes

Income Tax Expense (Benefit)

The following table presents Devon's income tax components.

	Year Ended December 31,		
	2021	2020	2019
Current income tax expense (benefit):			
U.S. federal	$ 10	$ (219)	$ (3)
Various states	9	—	(2)
Canada	(3)	—	—
Total current income tax expense (benefit)	16	(219)	(5)
Deferred income tax expense (benefit):			
U.S. federal	18	(304)	8
Various states	22	(24)	(33)
Canada	9	—	—
Total deferred income tax expense (benefit)	49	(328)	(25)
Total income tax expense (benefit)	$ 65	$ (547)	$ (30)

DEVON ENERGY CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

Total income tax expense differed from the amounts computed by applying the U.S. federal income tax rate to earnings (loss) from continuing operations before income taxes as a result of the following:

	Year Ended December 31,		
	2021	2020	2019
Earnings (loss) from continuing operations before income taxes	$ 2,898	$ (3,090)	$ (109)
U.S. statutory income tax rate	21%	21%	21%
Change in tax legislation	0%	4%	0%
State income taxes	1%	1%	24%
Change in unrecognized tax benefits	0%	0%	(13%)
Audit settlements	0%	0%	15%
Other	2%	(1%)	(19%)
Deferred tax asset valuation allowance	(22%)	(7%)	0%
Effective income tax rate	2%	18%	28%

Devon and its subsidiaries are subject to U.S. federal income tax as well as income or capital taxes in various state and foreign jurisdictions. Devon's tax reserves are related to tax years that may be subject to examinations by the relevant taxing authority. Devon is under audit in the U.S. and various foreign jurisdictions as part of its normal course of business.

Devon assesses the realizability of its deferred tax assets. If Devon concludes that it is more likely than not that some portion or all of the deferred tax assets will not be realized, the asset is reduced by a valuation allowance. Numerous judgments and assumptions are inherent in the determination of future taxable income, including factors such as future operating conditions (particularly as related to prevailing oil and gas prices) and changing tax laws.

2021

Prior to 2021, Devon maintained a valuation allowance against all U.S. federal deferred tax assets. Devon recognized $249 million of deferred tax liabilities to account for the Merger. The recognition of these deferred tax liabilities caused a decrease to Devon's net deferred tax assets and a corresponding decrease to the valuation allowance Devon had recognized on its U.S. federal deferred tax assets.

Due to significant increases in commodity pricing and projections of future income, in the fourth quarter of 2021, Devon reassessed its evaluation of the realizability of deferred tax assets in future years and determined that a U.S. federal valuation allowance was no longer necessary. As such, Devon removed its remaining $84 million U.S. federal valuation allowance.

2020

The Coronavirus Aid, Relief, and Economic Security Act ("CARES Act") became law on March 27, 2020. The CARES Act allows net operating losses generated in taxable years beginning after December 31, 2017 and before January 1, 2021 to be carried back five years to offset taxable income and recoup previously paid taxes. As a result, Devon carried net operating losses generated in 2019 and 2020 back to 2014 and 2015, respectively, and recorded a $220 million current income tax benefit, partially offset by a $107 million deferred income tax expense. The net $113 million income tax benefit recorded in 2020 is the result of the higher U.S. federal income tax rate in the carry back periods.

DEVON ENERGY CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

Throughout 2019, Devon maintained a valuation allowance against certain deferred tax assets, including certain tax credits and state net operating losses. Reduced demand from the COVID-19 pandemic caused an unprecedented downturn in the commodity price environment in 2020. As a result, Devon recorded significant impairments during the first quarter of 2020. Devon reassessed its position and recorded a 100% valuation allowance against all U.S. federal and state net deferred tax assets and maintained a full valuation allowance position throughout 2020.

2019

On June 27, 2019, Devon completed the sale of substantially all of its oil and gas assets and operations in Canada. Devon's foreign earnings have not been considered indefinitely reinvested since the announcement of the plan to separate the assets in the first quarter of 2019. As the separation took the form of an asset sale and Devon retained certain non-operating obligations to be settled over time, Devon did not record a deferred tax asset or corresponding valuation allowance related to its Canadian investment in 2019.

Devon recorded tax impacts related to the Barnett Shale and Canadian assets in discontinued operations.

During 2019, Devon recorded a tax expense of $14 million related to unrecognized tax benefits, due to a change in tax positions taken in prior periods.

In the fourth quarter of 2019, Devon entered into an audit agreement with the Canada Revenue Agency. The Canadian income tax expense resulting from this agreement is reflected in discontinued operations. However, the agreement also resulted in a $16 million tax benefit to Devon's U.S. continuing operations.

The "other" effect is composed of permanent differences, including stock compensation, for which the dollar amounts do not increase or decrease in relation to the change in pre-tax earnings. Generally, permanent adjustments, as well as the state income tax, have an insignificant impact on Devon's effective income tax rate. However, these items had a more noticeable impact to the rate in 2019 due to the low relative net loss in the period.

DEVON ENERGY CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

Deferred Tax Assets and Liabilities

The following table presents the tax effects of temporary differences that gave rise to Devon's deferred tax assets and liabilities.

	December 31,	
	2021	**2020**
Deferred tax assets:		
Net operating loss carryforwards	$ 1,075	$ 238
Capital loss carryforwards	559	547
Accrued liabilities	262	125
Fair value of derivative financial instruments	129	33
Asset retirement obligation	109	94
Investment in subsidiary	—	441
Other, including tax credits	138	106
Total deferred tax assets before valuation allowance	2,272	1,584
Less: valuation allowance	(893)	(1,355)
Net deferred tax assets	1,379	229
Deferred tax liabilities:		
Property and equipment	(1,630)	(213)
Other	(29)	-
Total deferred tax liabilities	(1,659)	(213)
Net deferred tax asset (liability)	$ (280)	$ 16

At December 31, 2021, Devon has recognized $1.1 billion of deferred tax assets related to various net operating loss carryforwards available to offset future taxable income. Devon has $711 million of U.S. federal net operating loss carryforwards, of which $654 million expires between 2030 and 2037, and $57 million does not expire. Devon also has $364 million of state net operating loss carryforwards primarily expiring between 2022 and 2040, $303 million of which are covered by a valuation allowance.

Devon's net operating losses acquired from WPX as a result of the Merger are subject to limitation pursuant to Section 382 of the Internal Revenue Code of 1986, which relates to limitations upon the 50% or greater change of ownership of an entity during any three-year period. The Company anticipates utilizing these net operating losses prior to their expiration.

Included in Devon's capital loss carryforwards of $559 million are $552 million of Canadian capital losses fully covered by a valuation allowance. The remaining $7 million of Canadian deferred tax assets are included within other long-term assets in the December 31, 2021 consolidated balance sheet.

In the fourth quarter of 2020, Devon recorded a deferred tax asset representing the deductible outside basis difference in its investment in a consolidated subsidiary. In the second quarter of 2021, Devon realized this benefit, increasing its U.S. federal and state net operating loss deferred tax assets.

DEVON ENERGY CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

Unrecognized Tax Benefits

The following table presents changes in Devon's unrecognized tax benefits.

	December 31,	
	2021	2020
	(Millions)	
Balance at beginning of year	$ 23	$ 65
Tax positions taken in prior periods	5	(42)
Assumed WPX tax positions taken in prior periods	8	—
Balance at end of year	$ 36	$ 23

Devon recognized $1 million of net interest and no penalties in 2021 and its unrecognized tax benefit balance included $1 million interest. At December 31, 2021 and December 31, 2020, there were $36 million and $23 million, respectively, of unrecognized tax benefits that if recognized would affect the annual effective tax rate. Due to regulatory changes during 2020, $42 million of Devon's current unrecognized tax benefits were reclassified as deferred unrecognized tax benefits. Deferred unrecognized tax benefits of $42 million and $50 million, at December 31, 2021 and December 31, 2020, respectively, are not included in the table above but are accounted for in Devon's deferred tax disclosure above.

Pursuant to the tax sharing agreement with The Williams Companies ("Williams") assumed in the Merger, Devon remains responsible for the tax from audit adjustments related to the WPX business for periods prior to WPX's spin-off from Williams on December 31, 2011. The 2011 consolidated tax filing by Williams is currently being audited by the Internal Revenue Service ("IRS") and is the only pre spin-off period for which the Company continues to have exposure to audit adjustments as part of Williams. The IRS has proposed an adjustment related to the WPX business for which a payment to Williams could be required. Devon has evaluated the issue and is in the process of protesting the adjustment within the normal appeals process of the IRS. In addition, the alternative minimum tax ("AMT") credit carryforward that was allocated to WPX by Williams at the time of the spin-off could change due to audit adjustments unrelated to company business. Any such adjustments to this allocated AMT credit carryforward will not be known until the IRS examination is completed but is not expected to result in a cash settlement with Williams. However, if the Company has to amend filed returns whereby refunds of AMT credit carryforwards have been received, the Company may have to remit cash to the IRS. Through December 31, 2021, the Company has received approximately $83 million related to these AMT credit carryforwards.

Included below is a summary of the tax years, by jurisdiction, that remain subject to examination by taxing authorities.

Jurisdiction	Tax Years Open
U.S. Federal	2015-2021
Various U.S. states	2014-2021
Canada	2006-2021

Certain statute of limitation expirations are scheduled to occur in the next twelve months. However, Devon is currently in various stages of the administrative review process for certain open tax years. In addition, Devon is currently subject to various income tax audits that have not reached the administrative review process.

DEVON ENERGY CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

9. Net Earnings (Loss) Per Share from Continuing Operations

The following table reconciles net earnings (loss) from continuing operations and weighted-average common shares outstanding used in the calculations of basic and diluted net earnings (loss) per share from continuing operations.

	Year Ended December 31,		
	2021	2020	2019
Net earnings (loss) from continuing operations:			
Net earnings (loss) from continuing operations	$ 2,813	$ (2,552)	$ (81)
Attributable to participating securities	(30)	(4)	(2)
Basic and diluted earnings (loss) from continuing operations	$ 2,783	$ (2,556)	$ (83)
Common shares:			
Common shares outstanding - total	670	383	407
Attributable to participating securities	(7)	(6)	(6)
Common shares outstanding - basic	663	377	401
Dilutive effect of potential common shares issuable	2	—	—
Common shares outstanding - diluted	665	377	401
Net earnings (loss) per share from continuing operations:			
Basic	$ 4.20	$ (6.78)	$ (0.21)
Diluted	$ 4.19	$ (6.78)	$ (0.21)

DEVON ENERGY CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

10. Other Comprehensive Earnings (Loss)

Components of other comprehensive earnings (loss) consist of the following:

	Year Ended December 31,		
	2021	2020	2019
Foreign currency translation:			
Beginning accumulated foreign currency translation and other	$ —	$ —	$ 1,159
Change in cumulative translation adjustment	—	—	78
Release of Canadian cumulative translation adjustment (1)	—	—	(1,237)
Ending accumulated foreign currency translation and other	—	—	—
Pension and postretirement benefit plans:			
Beginning accumulated pension and postretirement benefits	(127)	(119)	(132)
Net actuarial loss and prior service cost arising in current year	(35)	(34)	(10)
Recognition of net actuarial loss and prior service cost in earnings (2)	3	7	6
Curtailment and settlement of pension benefits (3)	19	16	21
Other (4)	7	—	—
Income tax benefit (expense)	1	3	(4)
Accumulated other comprehensive loss, net of tax	$ (132)	$ (127)	$ (119)

(1) In conjunction with the sale of substantially all of its oil and gas assets and operations in Canada, Devon released the cumulative translation adjustment as part of its gain on the disposition of its Canadian business. See Note 19 for additional details.

(2) These accumulated other comprehensive earnings components are included in the computation of net periodic benefit cost, which is a component of other, net in the accompanying consolidated statements of comprehensive earnings. See Note 17 for additional details.

(3) In 2021, the Merger triggered settlement payments to certain plan participants, and the expense associated with this settlement is recognized as a component of restructuring and transaction costs in the accompanying consolidated statements of comprehensive earnings.

(4) Other includes a remeasurement of the pension obligation due to the Merger, which was partially offset by a change in mortality assumption.

DEVON ENERGY CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

11. Supplemental Information to Statements of Cash Flows

	Year Ended December 31,		
	2021	2020	2019
Changes in assets and liabilities, net:			
Accounts receivable	$ (526)	$ 231	$ (3)
Income tax receivable	91	(127)	(22)
Other current assets	(61)	30	15
Other long-term assets	12	(9)	17
Accounts payable and revenues and royalties payable	539	(109)	(46)
Other current liabilities	(18)	(68)	(66)
Other long-term liabilities	(153)	(43)	23
Total	$ (116)	$ (95)	$ (82)
Supplementary cash flow data - total operations:			
Interest paid	$ 404	$ 259	$ 308
Income taxes paid (refunded)	$ (116)	$ 171	$ 6

As of December 31, 2021, Devon had approximately $205 million of accrued capital expenditures included in total property and equipment, net and accounts payable on the consolidated balance sheets. As of December 31, 2020 (pre-merger), Devon had approximately $100 million of accrued capital expenditures in total property and equipment, net and accounts payable on the consolidated balance sheets. As of January 7, 2021 (date of Merger closing), Devon assumed approximately $150 million of accrued capital expenditures included in accounts payable.

Income taxes received during 2021 is primarily comprised of refunds related to the CARES Act. Devon's remaining income taxes receivable as of December 31, 2021 includes an additional $59 million related to the CARES Act which will be applied to reduce future income taxes, and $24 million unrelated to the CARES Act which was received in the first quarter of 2022.

12. Accounts Receivable

Components of accounts receivable include the following:

	December 31, 2021	December 31, 2020
Oil, gas and NGL sales	$ 984	$ 335
Joint interest billings	158	57
Marketing and midstream revenues	370	195
Other	38	25
Gross accounts receivable	1,550	612
Allowance for doubtful accounts	(7)	(11)
Net accounts receivable	$ 1,543	$ 601

DEVON ENERGY CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

13. Property, Plant and Equipment

Capitalized Costs

The following table reflects the aggregate capitalized costs related to Devon's oil and gas and non-oil and gas activities.

	December 31, 2021	December 31, 2020
Property and equipment:		
Proved	$ 38,051	$ 27,589
Unproved and properties under development	1,081	392
Total oil and gas	39,132	27,981
Less accumulated DD&A	(25,596)	(23,545)
Oil and gas property and equipment, net	13,536	4,436
Other property and equipment	2,139	1,737
Less accumulated DD&A	(667)	(780)
Other property and equipment, net (1)	1,472	957
Property and equipment, net	$ 15,008	$ 5,393

(1) $111 million and $102 million related to CDM in 2021 and 2020, respectively.

Suspended Exploratory Well Costs

The following summarizes the changes in suspended exploratory well costs for the three years ended December 31, 2021.

	Year Ended December 31,		
	2021	2020	2019
Beginning balance	$ 18	$ 82	$ 98
Acquired WPX costs	34	—	—
Additions pending determination of proved reserves	206	148	278
Charges to exploration expense	(2)	(3)	—
Reclassifications to proved properties	(190)	(209)	(294)
Ending balance	$ 66	$ 18	$ 82

Devon had no projects with suspended exploratory well costs capitalized for a period greater than one year since the completion of drilling as of December 31, 2021, 2020 and 2019.

DEVON ENERGY CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

14. Debt and Related Expenses

See below for a summary of debt instruments and balances. The notes and debentures are senior, unsecured obligations of Devon unless otherwise noted in the table below.

	December 31, 2021	December 31, 2020
8.25% due August 1, 2023 (1)	$ 242	$ —
5.25% due September 15, 2024 (1)	472	—
5.85% due December 15, 2025	485	485
7.50% due September 15, 2027 (2)	73	73
5.25% due October 15, 2027 (1)	390	—
5.875% due June 15, 2028 (1)	325	—
4.50% due January 15, 2030 (1)	585	—
7.875% due September 30, 2031	675	675
7.95% due April 15, 2032	366	366
5.60% due July 15, 2041	1,250	1,250
4.75% due May 15, 2042	750	750
5.00% due June 15, 2045	750	750
Net premium (discount) on debentures and notes	149	(20)
Debt issuance costs	(30)	(31)
Total long-term debt	$ 6,482	$ 4,298

(1) These instruments were assumed by Devon in January 2021 in conjunction with the Merger. Subsequent to debt retirements and the obligor exchange transaction completed during 2021, approximately $51 million of these instruments remain the unsecured and unsubordinated obligation of WPX, a wholly-owned subsidiary of Devon.

(2) This instrument was assumed by Devon in April 2003 in conjunction with the merger with Ocean Energy. The fair value and effective rate of this note at the time assumed was $169 million and 6.5%, respectively. This instrument is the unsecured and unsubordinated obligation of Devon OEI Operating, L.L.C. and is guaranteed by Devon Energy Production Company, L.P. Each of these entities is a wholly-owned subsidiary of Devon.

Debt maturities as of December 31, 2021, excluding debt issuance costs, premiums and discounts, are as follows:

	Total
2022	$ —
2023	242
2024	472
2025	485
2026	—
Thereafter	5,164
Total	$ 6,363

DEVON ENERGY CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

The following schedule includes the summary of the WPX debt Devon assumed upon closing of the Merger on January 7, 2021.

	Face Value	Fair Value	Optional Redemption[1]
6.00% due January 15, 2022	$ 43	$ 44	
8.25% due August 1, 2023	242	281	June 1, 2023
5.25% due September 15, 2024	472	530	June 15, 2024
5.75% due June 1, 2026	500	529	June 1, 2021
5.25% due October 15, 2027	600	646	October 15, 2022
5.875% due June 15, 2028	500	554	June 15, 2023
4.50% due January 15, 2030	900	978	January 15, 2025
	$ 3,257	$ 3,562	

(1) At any time prior to these dates, Devon has or had the option to redeem (i) some or all of the notes at a specified "make whole" premium and (ii) a portion of certain of the notes at applicable redemption prices, in each case as described in the indenture documents governing the notes to be redeemed. On or after these dates, Devon has or had the option to redeem the notes, in whole or in part, at the applicable redemption prices set forth in the indenture documents, plus accrued and unpaid interest thereon to the redemption date as more fully described in such documents.

Retirement of Senior Notes

During 2021, Devon redeemed $43 million of the 6.00% senior notes due 2022, $175 million of the 5.875% senior notes due 2028, $315 million of the 4.50% senior notes due 2030, $210 million of the 5.25% senior notes due 2027 and $500 million of the 5.75% senior notes due 2026. In 2021, Devon recognized $30 million of gains on early retirement of debt, consisting of $89 million of non-cash premium accelerations, partially offset by $59 million of cash retirement costs. The gain on early retirement is included in financing costs, net in the consolidated statements of comprehensive earnings.

Credit Lines

Devon has a $3.0 billion Senior Credit Facility. As of December 31, 2021, Devon had $2 million in outstanding letters of credit under the Senior Credit Facility. There were no borrowings under the Senior Credit Facility as of December 31, 2021.

Devon entered into an amendment and extension agreement on December 13, 2019 to, among other things, (i) effect the extension of the maturity date of the Senior Credit Facility from October 5, 2023 to October 5, 2024 with respect to the consenting lenders and (ii) modify the maximum number of maturity extension requests during the term of the Senior Credit Facility from two to three. As a result of this amendment, Devon has the option to extend the October 5, 2024 maturity date by two additional one-year periods subject to lender consent, and the maximum borrowing capacity of the Senior Credit Facility becomes $2.8 billion after October 5, 2023. Amounts borrowed under the Senior Credit Facility may, at the election of Devon, bear interest at various fixed rate options for periods of up to twelve months. Such rates are generally less than the prime rate. However, Devon may elect to borrow at the prime rate. The Senior Credit Facility currently provides for an annual facility fee of $6 million.

The Senior Credit Facility contains only one material financial covenant. This covenant requires Devon’s ratio of total funded debt to total capitalization, as defined in the credit agreement, to be no greater than 65%. The credit agreement contains definitions of total funded debt and total capitalization that include adjustments to the respective amounts reported in the accompanying consolidated financial statements. For example, total capitalization is

adjusted to add back certain noncash financial write-downs, such as asset impairments. As of December 31, 2021, Devon was in compliance with this covenant with a debt-to-capitalization ratio of 25%.

Commercial Paper

Devon's Senior Credit Facility supports its $3.0 billion of short-term credit under its commercial paper program. Commercial paper debt generally has a maturity of between 1 and 90 days, although it can have a maturity of up to 365 days, and bears interest at rates agreed to at the time of the borrowing. As of December 31, 2021, Devon had no outstanding commercial paper borrowings.

Net Financing Costs

The following schedule includes the components of net financing costs.

	Year Ended December 31,		
	2021	2020	2019
Interest based on debt outstanding	$ 388	$ 259	$ 260
Gain on early retirement of debt	(30)	—	—
Interest income	(2)	(12)	(33)
Other	(27)	23	23
Total net financing costs	$ 329	$ 270	$ 250

15. Leases

Devon's right-of-use operating lease assets are for certain leases related to real estate, drilling rigs and other equipment related to the exploration, development and production of oil and gas. Devon's right-of-use financing lease assets are related to real estate. Certain of Devon's lease agreements include variable payments based on usage or rental payments adjusted periodically for inflation. Devon's lease agreements do not contain any material residual value guarantees or restrictive covenants.

The following table presents Devon's right-of-use assets and lease liabilities.

	December 31, 2021			December 31, 2020		
	Finance	Operating	Total	Finance	Operating	Total
Right-of-use assets	$ 211	$ 24	$ 235	$ 220	$ 3	$ 223
Lease liabilities:						
Current lease liabilities (1)	$ 8	$ 18	$ 26	$ 8	$ 1	$ 9
Long-term lease liabilities	247	5	252	244	2	246
Total lease liabilities	$ 255	$ 23	$ 278	$ 252	$ 3	$ 255

(1) Current lease liabilities are included in other current liabilities on the consolidated balance sheets.

DEVON ENERGY CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

The following table presents Devon's total lease cost.

		Year Ended December 31,		
		2021	2020	2019
Operating lease cost	Property and equipment; LOE; G&A	$ 25	$ 10	$ 40
Short-term lease cost (1)	Property and equipment; LOE; G&A	89	45	84
Financing lease cost:				
Amortization of right-of-use assets	DD&A	8	8	8
Interest on lease liabilities	Net financing costs	11	11	10
Variable lease cost	G&A	(4)	—	2
Lease income	G&A	(8)	(8)	(5)
Net lease cost		$ 121	$ 66	$ 139

(1) Short-term lease cost excludes leases with terms of one month or less.

The following table presents Devon's additional lease information.

	Year Ended December 31,			
	2021		2020	
	Finance	Operating	Finance	Operating
Cash outflows for lease liabilities:				
Operating cash flows	$ 7	$ 15	$ 7	$ 2
Investing cash flows	$ —	$ 9	$ —	$ 8
Right-of-use assets obtained in exchange for new lease liabilities	$ —	$ 7	$ —	$ —
Weighted average remaining lease term (years)	6.0	1.5	7.0	4.1
Weighted average discount rate	4.2%	1.3%	4.2%	2.9%

The following table presents Devon's maturity analysis as of December 31, 2021 for leases expiring in each of the next 5 years and thereafter.

	Finance	Operating	Total
2022	$ 8	$ 17	$ 25
2023	8	4	12
2024	8	1	9
2025	8	1	9
2026	8	—	8
Thereafter	281	—	281
Total lease payments	321	23	344
Less: interest	(66)	—	(66)
Present value of lease liabilities	$ 255	$ 23	$ 278

Devon rents or subleases certain real estate to third parties. The following table presents Devon's expected lease income as of December 31, 2021 for each of the next 5 years and thereafter.

	Operating Lease Income
2022	$ 8
2023	9
2024	10
2025	10
2026	10
Thereafter	58
Total	$ 105

16. Asset Retirement Obligations

The following table presents the changes in asset retirement obligations.

	Year Ended December 31,	
	2021	2020
Asset retirement obligations as of beginning of period	$ 369	$ 398
Assumed WPX obligations	98	—
Liabilities incurred	36	18
Liabilities settled and divested	(57)	(29)
Liabilities reclassified as held for sale	—	(42)
Revision of estimated obligation	11	4
Accretion expense on discounted obligation	28	20
Asset retirement obligations as of end of period	485	369
Less current portion	17	11
Asset retirement obligations, long-term	$ 468	$ 358

17. Retirement Plans

Defined Contribution Plans

Devon sponsors defined contribution plans covering its employees. Such plans include its 401(k) plan and enhanced contribution plan. Devon makes matching contributions and additional retirement contributions, with the matching contributions being primarily based upon percentages of annual compensation and years of service. In addition, each plan is subject to regulatory limitations by the U.S. government. Devon contributed $33 million, $33 million and $34 million to these plans in 2021, 2020 and 2019, respectively.

Defined Benefit Plans

Devon has various non-contributory defined benefit pension plans, including qualified plans and nonqualified plans covering eligible employees and former employees meeting certain age and service requirements. Benefits under the defined benefit plans have been closed to new employees and effective, as of December 31, 2020, Devon's benefits committee approved a freeze of all future benefit accruals under the Plans.

Benefits are primarily funded from assets held in the plans' trusts.

Devon's investment objective for its plans' assets is to achieve stability of the funded status while providing long-term growth of invested capital and income to ensure benefit payments can be funded when required. Devon has established certain investment strategies, including target allocation percentages and permitted and prohibited investments, designed to mitigate risks inherent with investing. Devon's target allocations for its plan assets are 90% fixed income and 10% equity. See the following discussion for Devon's pension assets by asset class.

Fixed-income – Devon's fixed-income securities consist of U.S. Treasury obligations, bonds issued by investment-grade companies from diverse industries and asset-backed securities. These fixed-income securities are actively traded securities that can be redeemed upon demand. The fair values of these Level 1 securities are based upon quoted market prices and were $590 million and $617 million at December 31, 2021 and 2020, respectively.

Equity – Devon's equity securities include commingled global equity funds that invest in large, mid and small capitalization stocks across the world's developed and emerging markets and international large cap equity securities. These equity securities can be sold on demand but are not actively traded. The fair values of these securities are based upon the net asset values provided by the investment managers and were $67 million and $110 million at December 31, 2021 and 2020, respectively.

Other – Devon's other securities include short-term investment funds that invest both long and short term using a variety of investment strategies. The fair value of these securities is based upon the net asset values provided by investment managers and were $14 million and $18 million at December 31, 2021 and 2020, respectively.

Defined Postretirement Plans

Devon also has defined benefit postretirement plans that provide benefits for substantially all qualifying retirees. Benefit obligations for such plans are estimated based on Devon's future cost-sharing intentions. Devon's funding policy for the plans is to fund the benefits as they become payable with available cash and cash equivalents.

DEVON ENERGY CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

Benefit Obligations and Funded Status

The following table summarizes the benefit obligations, assets, funded status and balance sheet impacts associated with Devon's defined pension and postretirement plans. Devon's benefit obligations and plan assets are measured each year as of December 31. The accumulated benefit obligation for pension plans approximated the projected benefit obligation at December 31, 2021 and 2020.

	Pension Benefits		Postretirement Benefits	
	2021	2020	2021	2020
Change in benefit obligation:				
Benefit obligation at beginning of year	$ 981	$ 924	$ 13	$ 14
Service cost	—	5	—	—
Interest cost	18	25	—	—
Actuarial loss (gain)	(18)	116	(1)	(1)
Plan amendments	—	2	1	—
Plan curtailments	22	(14)	—	1
Plan settlements	(73)	(28)	—	—
Participant contributions	—	—	2	2
Benefits paid	(50)	(49)	(3)	(3)
Benefit obligation at end of year	880	981	12	13
Change in plan assets:				
Fair value of plan assets at beginning of year	745	694	—	—
Actual return on plan assets	(11)	114	—	—
Employer contributions	60	14	1	1
Participant contributions	—	—	2	2
Plan settlements	(73)	(28)	—	—
Benefits paid	(50)	(49)	(3)	(3)
Fair value of plan assets at end of year	671	745	—	—
Funded status at end of year	$ (209)	$ (236)	$ (12)	$ (13)
Amounts recognized in balance sheet:				
Other long-term assets	$ 6	$ 10	$ —	$ —
Other current liabilities	(14)	(14)	(2)	(2)
Other long-term liabilities	(201)	(232)	(9)	(11)
Net amount	$ (209)	$ (236)	$ (11)	$ (13)
Amounts recognized in accumulated other comprehensive earnings:				
Net actuarial loss (gain)	$ 206	$ 201	$ (12)	$ (12)
Prior service cost	—	—	1	—
Total	$ 206	$ 201	$ (11)	$ (12)

During 2021, non-qualified plans experienced curtailments due to the Merger and both qualified and non-qualified plans experienced a partial plan settlement due to continued lump sum payments. During 2020, Devon's qualified plan experienced a partial plan settlement due to ongoing lump sum payments. Devon's qualified and non-qualified plans experienced curtailments due to plan freezes and reductions in force in 2020.

DEVON ENERGY CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

Certain of Devon's pension plans have a combined projected benefit obligation or accumulated benefit obligation in excess of plan assets at December 31, 2021 and December 31, 2020, as presented in the table below.

	December 31,	
	2021	2020
Projected benefit obligation	$ 215	$ 246
Accumulated benefit obligation	$ 215	$ 246
Fair value of plan assets	$ —	$ —

The following table presents the components of net periodic benefit cost and other comprehensive earnings.

	Pension Benefits			Postretirement Benefits		
	2021	2020	2019	2021	2020	2019
Net periodic benefit cost:						
Service cost	$ —	$ 5	$ 7	$ —	$ —	$ —
Interest cost	18	25	32	—	—	—
Expected return on plan assets	(34)	(41)	(38)	—	—	—
Recognition of net actuarial loss (gain) (1)	4	5	7	(1)	—	(1)
Recognition of prior service cost (1)	—	3	1	—	(1)	(1)
Total net periodic benefit cost (2)	(12)	(3)	9	(1)	(1)	(2)
Other comprehensive loss (earnings):						
Actuarial loss (gain) arising in current year	28	27	7	(1)	(1)	(2)
Prior service cost arising in current year	—	2	3	1	—	—
Recognition of net actuarial gain (loss), including settlement expense, in net periodic benefit cost (3)	(23)	(9)	(22)	1	1	1
Recognition of prior service cost, including curtailment, in net periodic benefit cost (3)	—	(7)	(2)	—	1	1
Total other comprehensive loss (earnings)	5	13	(14)	1	1	—
Total	$ (7)	$ 10	$ (5)	$ —	$ —	$ (2)

(1) These net periodic benefit costs were reclassified out of other comprehensive earnings in the current period.

(2) The service cost component of net periodic benefit cost is included in G&A expense and the remaining components of net periodic benefit costs are included in other, net in the accompanying consolidated statements of comprehensive earnings.

(3) These amounts include restructuring costs that were reclassified out of other comprehensive earnings in 2021, 2020 and 2019. See Note 6 for further discussion.

Assumptions

	Pension Benefits			Postretirement Benefits		
	2021	2020	2019	2021	2020	2019
Assumptions to determine benefit obligations:						
Discount rate	2.71%	2.38%	3.14%	2.34%	1.82%	2.81%
Rate of compensation increase	N/A	2.50%	2.50%	N/A	N/A	N/A
Assumptions to determine net periodic benefit cost:						
Discount rate - service cost	N/A	3.47%	3.74%	2.51%	3.25%	3.99%
Discount rate - interest cost	2.11%	2.75%	3.36%	1.01%	2.31%	3.21%
Rate of compensation increase	N/A	2.50%	2.50%	N/A	N/A	N/A
Expected return on plan assets	5.00%	6.00%	5.75%	N/A	N/A	N/A

Discount rate - Future pension and post-retirement obligations are discounted based on the rate at which obligations could be effectively settled, considering the timing of expected future cash flows related to the plans. This rate is based on high-quality bond yields, after allowing for call and default risk.

Expected return on plan assets – This was determined by evaluating input from external consultants and economists, as well as long-term inflation assumptions and consideration of target allocation of investment types.

Mortality rate – Devon utilized the Society of Actuaries produced mortality tables.

Other assumptions – For measurement of the 2021 benefit obligation for the other postretirement medical plans, a 6.8% annual rate of increase in the per capita cost of covered health care benefits was assumed for 2022. The rate was assumed to decrease annually to an ultimate rate of 5% in the year 2029 and remain at that level thereafter.

Expected Cash Flows

Devon expects benefit plan payments to average approximately $54 million a year for the next five years and $254 million total for the five years thereafter. Of these payments to be paid in 2022, $16 million is expected to be funded from Devon's available cash, cash equivalents and other assets.

18. Stockholders' Equity

The authorized capital stock of Devon consists of 1.0 billion shares of common stock, par value $0.10 per share, and 4.5 million shares of preferred stock, par value $1.00 per share. The preferred stock may be issued in one or more series, and the terms and rights of such stock will be determined by the Board of Directors.

Share Repurchase Program

Devon announced a share repurchase program initially in 2018 that was later expanded to $5.0 billion with a December 31, 2019 expiration date. In December 2019, Devon announced a share repurchase program of $1.0 billion with a December 31, 2020 expiration date. In November 2021, Devon announced a new share repurchase program of $1.0 billion with a December 31, 2022 expiration date. In February 2022, the Board of Directors authorized an expansion of the share repurchase program to $1.6 billion.

DEVON ENERGY CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

The table below provides information regarding purchases of Devon's common stock that were made under the respective share repurchase programs (shares in thousands).

$5.0 Billion Plan (Closed)	Total Number of Shares Purchased	Dollar Value of Shares Purchased	Average Price Paid per Share
2018	78,149	$ 2,978	$ 38.11
2019	68,625	1,827	26.62
Total	146,774	$ 4,805	$ 32.74
$1.0 Billion Plan (Closed)			
2020	2,243	$ 38	$ 16.85
Total	2,243	$ 38	$ 16.85
$1.6 Billion Plan (Open)			
2021	13,983	$ 589	$ 42.15
Total	13,983	$ 589	$ 42.15

Dividends

Upon completion of the Merger, Devon continued its commitment to pay a quarterly dividend at a fixed rate and instituted a variable quarterly dividend, which is dependent on quarterly cash flows, among other factors. The following table summarizes the dividends Devon has paid on its common stock in 2021, 2020 and 2019, respectively.

	Fixed	Variable/Special	Total	Rate Per Share
2021:				
First quarter	$ 76	$ 127	$ 203	$ 0.30
Second quarter	75	154	229	$ 0.34
Third quarter	74	255	329	$ 0.49
Fourth quarter	73	481	554	$ 0.84
Total year-to-date	$ 298	$ 1,017	$ 1,315	
2020:				
First quarter	$ 34	$ —	$ 34	$ 0.09
Second quarter	42	—	42	$ 0.11
Third quarter	43	—	43	$ 0.11
Fourth quarter	41	97	138	$ 0.37
Total year-to-date	$ 160	$ 97	$ 257	
2019:				
First quarter	$ 34	$ —	$ 34	$ 0.08
Second quarter	37	—	37	$ 0.09
Third quarter	35	—	35	$ 0.09
Fourth quarter	34	—	34	$ 0.09
Total year-to-date	$ 140	$ —	$ 140	

In February 2022, Devon announced a cash dividend in the amount of $1.00 per share payable in the first quarter of 2022. The dividend consists of a fixed quarterly dividend in the amount of approximately $106 million (or $0.16 per share) and a variable quarterly dividend in the amount of approximately $557 million (or $0.84 per share).

Devon raised its fixed quarterly dividend by 45%, to $0.16 per share, beginning in the first quarter of 2022. Devon also increased its fixed quarterly dividend rate in the second quarter of 2020 and 2019 from $0.09 to $0.11 and from $0.08 to $0.09, respectively.

In the fourth quarter of 2020, Devon paid a $97 million (or $0.26 per share) special dividend.

Noncontrolling Interests

The noncontrolling interests' share of CDM's net earnings and the contributions from and distributions to the noncontrolling interests are presented as components of equity.

19. Discontinued Operations

Barnett Shale

On December 17, 2019, Devon announced that it had entered into an agreement to sell its Barnett Shale assets to BKV. Devon concluded that the transaction was a strategic shift and met the requirements of assets held for sale and discontinued operations upon the authorization to enter the agreement by Devon's Board of Directors. As part of its assessment, Devon effectively exited its last natural gas focused asset and the transaction resulted in a material reduction to total assets, revenues, net earnings and total proved reserves. Estimated proved reserves associated with Devon's Barnett Shale assets were approximately 45% of the total proved reserves. As a result, Devon classified the results of operations and cash flows related to its Barnett Shale assets as discontinued operations on its consolidated financial statements.

In conjunction with the divestiture agreement, which was amended in April 2020, Devon recognized a $182 million and $748 million asset impairment related to the Barnett Shale assets in 2020 and 2019, respectively, primarily due to the difference between the net carrying value and the purchase price, net of estimated customary purchase price adjustments, which qualifies as a level 2 fair value measurement. Approximately $88 million of the U.S. reporting unit goodwill was allocated to the Barnett Shale assets. Additionally, Devon ceased depreciation for all plant, property and equipment classified as assets held for sale on the date the sales agreement was approved by the Board of Directors.

On October 1, 2020, Devon completed the sale of its Barnett Shale assets to BKV for proceeds, net of purchase price adjustments, of $490 million. Additionally, the agreement provides for contingent earnout payments to Devon of up to $260 million based upon future commodity prices, with upside participation beginning at a $2.75 Henry Hub natural gas price or a $50 WTI oil price. The contingent payment period commenced on January 1, 2021 and has a term of four years. Devon received $65 million in contingent earnout payments related to this transaction in the first quarter of 2022 and could receive up to an additional $195 million in contingent earnout payments for the remaining performance periods depending on future commodity prices. The valuation of the future contingent earnout payments included within other current assets and other long-term assets in the December 31, 2021 balance sheet was $65 million and $111 million, respectively. During 2021, Devon recorded a $110 million increase to the fair value within asset dispositions on the consolidated statements of comprehensive earnings related to these payments. These values were derived utilizing a Monte Carlo valuation model and qualifies as a level 3 fair value measurement.

Canada

In the second quarter of 2019, Devon completed the sale of its Canadian business for $2.6 billion ($3.4 billion Canadian dollars), net of purchase price adjustments, and recognized a pre-tax gain of $223 million ($425 million net of tax, primarily due to a significant deferred tax benefit) in 2019. Current (cash) income and withholding taxes

associated with the Canadian business were approximately $175 million and were paid in the first half of 2020. Devon concluded that the transaction was a strategic shift and met the requirements of assets held for sale and discontinued operations based upon the following: 1) Devon was exiting its entire heavy oil and Canadian operations; 2) Devon's Canadian operations were a separate reportable segment and a component of Devon's business; and 3) the transaction resulted in a material reduction in total assets, revenues, net earnings and total proved reserves. The disposition of substantially all of Devon's Canadian oil and gas assets resulted in Devon releasing its historical cumulative foreign currency translation adjustment of $1.2 billion from accumulated other comprehensive earnings to be included within the gain computation. The historical cumulative foreign currency translation portion of the gain is not taxable.

During the third quarter of 2019, Devon utilized a portion of the sales proceeds to early retire $500 million of the 4.00% senior notes due July 15, 2021 and $1.0 billion of the 3.25% senior notes due May 15, 2022. Devon recognized a charge on the early retirement of these notes consisting of $52 million in cash retirement costs and $6 million of noncash charges.

The following table presents the amounts reported in the consolidated statements of comprehensive earnings as discontinued operations.

Year ended December 31,	Barnett Shale	Canada	Total
2020			
Oil, gas and NGL sales	$ 263	$ —	$ 263
Total revenues	263	—	263
Production expenses	214	—	214
Asset impairments	182	—	182
Asset dispositions	(4)	5	1
General and administrative expenses	—	3	3
Financing costs, net	—	(3)	(3)
Restructuring and transaction costs	—	9	9
Other expenses	10	(1)	9
Total expenses	402	13	415
Loss from discontinued operations before income taxes	(139)	(13)	(152)
Income tax benefit	(11)	(13)	(24)
Loss from discontinued operations, net of tax	$ (128)	$ —	$ (128)
2019			
Oil, gas and NGL sales	$ 486	$ 741	$ 1,227
Oil, gas and NGL derivatives	—	(113)	(113)
Marketing and midstream revenues	—	38	38
Total revenues	486	666	1,152
Production expenses	306	293	599
Exploration expenses	—	13	13
Marketing and midstream expenses	—	18	18
Depreciation, depletion and amortization	77	128	205
Asset impairments	748	37	785
Asset dispositions	1	(223)	(222)
General and administrative expenses	—	34	34
Financing costs, net	—	87	87
Restructuring and transaction costs	—	248	248
Other expenses	11	6	17
Total expenses	1,143	641	1,784
Earnings (loss) from discontinued operations before income taxes	(657)	25	(632)
Income tax benefit	(142)	(216)	(358)
Net earnings (loss) from discontinued operations, net of tax	$ (515)	$ 241	$ (274)

DEVON ENERGY CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

20. Commitments and Contingencies

Devon is party to various legal actions arising in connection with its business. Matters that are probable of unfavorable outcome to Devon and which can be reasonably estimated are accrued. Such accruals are based on information known about the matters, Devon's estimates of the outcomes of such matters and its experience in contesting, litigating and settling similar matters. None of the actions are believed by management to likely involve future amounts that would be material to Devon's financial position or results of operations after consideration of recorded accruals. Actual amounts could differ materially from management's estimates.

Royalty Matters

Numerous oil and natural gas producers and related parties, including Devon, have been named in various lawsuits alleging royalty underpayments. Devon is currently named as a defendant in a number of such lawsuits, including some lawsuits in which the plaintiffs seek to certify classes of similarly situated plaintiffs. Among the allegations typically asserted in these suits are claims that Devon used below-market prices, made improper deductions, used improper measurement techniques and entered into gas purchase and processing arrangements with affiliates that resulted in underpayment of royalties in connection with oil, natural gas and NGLs produced and sold. Devon is also involved in governmental agency proceedings and royalty audits and is subject to related contracts and regulatory controls in the ordinary course of business, some that may lead to additional royalty claims. As of December 31, 2021, Devon does not currently believe that it is subject to material exposure with respect to such royalty matters.

Environmental and Climate Change Matters

Devon's business is subject to numerous federal, state, tribal and local laws and regulations governing the discharge of materials into the environment or otherwise relating to environmental protection. Failure to comply with these laws and regulations may result in the assessment of administrative, civil and criminal fines and penalties, as well as remediation costs. Although Devon believes that it is in substantial compliance with applicable environmental laws and regulations and that continued compliance with existing requirements will not have a material adverse impact on its business, there can be no assurance that this will continue in the future.

Beginning in 2013, various parishes in Louisiana filed suit against numerous oil and gas companies, including Devon, alleging that the companies' operations and activities in certain fields violated the State and Local Coastal Resource Management Act of 1978, as amended, and caused substantial environmental contamination, subsidence and other environmental damages to land and water bodies located in the coastal zone of Louisiana. The plaintiffs' claims against Devon relate primarily to the operations of several of Devon's corporate predecessors. The plaintiffs seek, among other things, payment of the costs necessary to clear, re-vegetate and otherwise restore the allegedly impacted areas. Although Devon cannot predict the ultimate outcome of these matters, Devon intends to vigorously defend against these claims.

The State of Delaware and various municipalities and other governmental and private parties in California have filed legal proceedings against numerous oil and gas companies, including Devon, seeking relief to abate alleged impacts of climate change. These proceedings include far-reaching claims for monetary damages and injunctive relief. Although Devon cannot predict the ultimate outcome of these matters, Devon intends to vigorously defend against the proceedings.

Other Indemnifications and Legacy Matters

Pursuant to various sale agreements relating to divested businesses and assets, Devon has indemnified various purchasers against liabilities that they may incur with respect to the businesses and assets acquired from Devon. Additionally, federal, state and other laws in areas of former operations may require previous operators

(including corporate successors of previous operators) to perform or make payments in certain circumstances where the current operator may no longer be able to satisfy the applicable obligation. Such obligations may include plugging and abandoning wells, removing production facilities or performing requirements under surface agreements in existence at the time of disposition.

In November 2020, the Department of the Interior, Bureau of Safety and Environmental Enforcement, ordered several oil and gas operators, including Devon, to perform decommissioning and reclamation activities related to two California offshore oil and gas production platforms and related facilities. The current operator and owner of the platforms contends that it does not have the financial ability to perform these obligations and relinquished the related federal lease in October 2020. In response to the apparent insolvency of the current operator, the government has ordered the former operators and alleged former lease record title owners to decommission the platforms and related facilities. The government contends that an alleged corporate predecessor of Devon owned a partial interest in the subject lease and platforms. Although Devon cannot predict the ultimate outcome of this matter, Devon denies any obligation to decommission the subject platforms, has appealed the order, and believes any decommissioning obligation related to the subject platforms should be assumed by others.

Commitments

The following table presents Devon's commitments that have initial or remaining noncancelable terms in excess of one year as of December 31, 2021.

Year Ending December 31,	Drilling and Facility Obligations	Operational Agreements	Office and Equipment Leases and Other
2022	$ 182	$ 474	$ 51
2023	27	418	46
2024	19	395	28
2025	12	327	25
2026	12	279	22
Thereafter	27	678	363
Total	$ 279	$ 2,571	$ 535

Devon has certain drilling and facility obligations under contractual agreements with third-party service providers to procure drilling rigs and other related services for developmental and exploratory drilling and facilities construction. The value of the drilling obligations reported is based on gross contractual value.

Devon has certain operational agreements whereby Devon has committed to transport or process certain volumes of oil, gas and NGLs for a fixed fee. Devon has entered into these agreements to aid the movement of its production to downstream markets.

Devon leases certain office space and equipment under financing and operating lease arrangements.

DEVON ENERGY CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

21. Fair Value Measurements

The following table provides carrying value and fair value measurement information for certain of Devon's financial assets and liabilities. The carrying values of cash, restricted cash, accounts receivable, other current receivables, accounts payable, other current payables, accrued expenses and lease liabilities included in the accompanying consolidated balance sheets approximated fair value at December 31, 2021 and December 31, 2020, as applicable. Therefore, such financial assets and liabilities are not presented in the following table.

			Fair Value Measurements Using:		
	Carrying Amount	Total Fair Value	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
December 31, 2021 assets (liabilities):					
Cash equivalents	$ 1,421	$ 1,421	$ 1,421	$ —	$ —
Commodity derivatives	$ 8	$ 8	$ —	$ 8	$ —
Commodity derivatives	$ (577)	$ (577)	$ —	$ (577)	$ —
Debt	$ (6,482)	$ (7,644)	$ —	$ (7,644)	$ —
Contingent earnout payments	$ 184	$ 184	$ —	$ —	$ 184
December 31, 2020 assets (liabilities):					
Cash equivalents	$ 1,436	$ 1,436	$ 1,436	$ —	$ —
Commodity derivatives	$ 6	$ 6	$ —	$ 6	$ —
Commodity derivatives	$ (148)	$ (148)	$ —	$ (148)	$ —
Debt	$ (4,298)	$ (5,365)	$ —	$ (5,365)	$ —
Contingent earnout payments	$ 66	$ 66	$ —	$ —	$ 66

The following methods and assumptions were used to estimate the fair values in the table above.

Level 1 Fair Value Measurements

Cash equivalents – Amounts consist primarily of money market investments and the fair value approximates the carrying value.

Level 2 Fair Value Measurements

Commodity derivatives – The fair value of commodity derivatives is estimated using internal discounted cash flow calculations based upon forward curves and data obtained from independent third parties for contracts with similar terms or data obtained from counterparties to the agreements.

Debt – Devon's debt instruments do not consistently trade actively in an established market. The fair values of its debt are estimated based on rates available for debt with similar terms and maturity when active trading is not available.

Level 3 Fair Value Measurements

Contingent Earnout Payments – Devon has the right to receive contingent consideration related to the Barnett and non-core Rockies asset divestitures based on future oil and gas prices. These values were derived using a Monte Carlo valuation model and qualify as a level 3 fair value measurement. For additional information see Note 2.

DEVON ENERGY CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

22. Supplemental Information on Oil and Gas Operations (Unaudited)

Supplemental unaudited information regarding Devon's oil and gas activities is presented in this note. All of Devon's reserves are located within the U.S.

The supplemental information in the tables below excludes amounts for 2020 and 2019 related to Devon's discontinued operations. For additional information on these discontinued operations, see Note 19.

Costs Incurred

The following tables reflect the costs incurred in oil and gas property acquisition, exploration and development activities.

	Year Ended December 31,		
	2021	2020	2019
Property acquisition costs:			
Proved properties	$ 7,017	$ —	$ —
Unproved properties	2,381	8	35
Exploration costs	212	159	312
Development costs	1,643	820	1,499
Costs incurred	$ 11,253	$ 987	$ 1,846

Acquisition costs for 2021 in the table above largely pertain to the Merger. Development costs in the tables above include additions and revisions to Devon's asset retirement obligations.

Results of Operations

The following tables include revenues and expenses associated with Devon's oil and gas producing activities. They do not include any allocation of Devon's interest costs or general corporate overhead and, therefore, are not necessarily indicative of the contribution to net earnings of Devon's oil and gas operations. Income tax expense has been calculated by applying statutory income tax rates to oil, gas and NGL sales after deducting costs, including DD&A, and after giving effect to permanent differences.

	Year Ended December 31,		
	2021	2020	2019
Oil, gas and NGL sales	$ 9,531	$ 2,695	$ 3,809
Production expenses	(2,131)	(1,123)	(1,197)
Exploration expenses	(14)	(167)	(58)
Depreciation, depletion and amortization	(2,050)	(1,207)	(1,398)
Asset dispositions	170	—	37
Asset impairments	—	(2,664)	—
Accretion of asset retirement obligations	(28)	(20)	(21)
Income tax expense	(1,238)	—	(270)
Results of operations	$ 4,240	$ (2,486)	$ 902
Depreciation, depletion and amortization per Boe	$ 9.83	$ 9.90	$ 11.72

DEVON ENERGY CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

Proved Reserves

The following table presents Devon's estimated proved reserves by product.

	Oil (MMBbls)	Gas (Bcf) [1]	NGL (MMBbls)	Combined (MMBoe)
Proved developed and undeveloped reserves:				
December 31, 2018	296	1,802	227	823
Revisions due to prices	(7)	(86)	(6)	(28)
Revisions other than price	(13)	(50)	(9)	(31)
Extensions and discoveries	76	269	39	160
Purchase of reserves	3	7	1	6
Production	(55)	(219)	(28)	(119)
Sale of reserves	(24)	(102)	(13)	(54)
December 31, 2019	276	1,621	211	757
Revisions due to prices	(26)	(209)	(17)	(78)
Revisions other than price	18	119	17	55
Extensions and discoveries	71	188	33	135
Purchase of reserves	1	19	3	7
Production	(57)	(221)	(28)	(122)
Sale of reserves	(1)	(5)	(1)	(2)
December 31, 2020	282	1,512	218	752
Revisions due to prices	55	382	36	155
Revisions other than price	(23)	11	64	43
Extensions and discoveries	112	348	58	228
Purchase of reserves	393	961	110	663
Production	(106)	(325)	(48)	(209)
Sale of reserves	(4)	(11)	(1)	(7)
December 31, 2021	709	2,878	437	1,625
Proved developed reserves:				
December 31, 2018	196	1,427	166	600
December 31, 2019	198	1,344	167	589
December 31, 2020	194	1,244	173	574
December 31, 2021	544	2,361	348	1,285
Proved developed-producing reserves:				
December 31, 2018	188	1,394	162	582
December 31, 2019	191	1,327	165	578
December 31, 2020	190	1,223	171	564
December 31, 2021	533	2,316	341	1,260
Proved undeveloped reserves:				
December 31, 2018	100	375	61	223
December 31, 2019	78	277	44	168
December 31, 2020	88	268	45	178
December 31, 2021	165	517	89	340

(1) Gas reserves are converted to Boe at the rate of six Mcf per Bbl of oil, based upon the approximate relative energy content of gas and oil. NGL reserves are converted to Boe on a one-to-one basis with oil. The conversion rates are not necessarily indicative of the relationship of oil, natural gas and NGL prices.

Price Revisions

Reserves increased 155 MMBoe in 2021 primarily due to price increases in the trailing 12 month averages for oil, gas and NGLs.

Reserves decreased 78 MMBoe in 2020 primarily due to price decreases in the trailing 12 month averages for oil, gas and NGLs.

Reserves decreased 28 MMBoe in 2019 primarily due to price decreases in the trailing 12 month averages for oil, gas and NGLs.

Revisions Other Than Price

2021 – Total revisions other than price (43 MMBoe) were primarily due to well performance exceeding previous estimates modestly across all areas of operation (53 MMBoe) and the removal of proved undeveloped locations as noted below (-10 MMBoe). The upward revisions were driven by the Delaware Basin (23 MMBoe), Williston Basin (12 MMBoe) and Anadarko Basin (12 MMBoe).

2020 – Total revisions other than price (55 MMBoe) were primarily due to well performance exceeding previous estimates (75 MMBoe) and the removal of proved undeveloped locations as noted below (-20 MMBoe). The most significant well performance revisions were attributable to the Delaware Basin (40 MMBoe) and the Anadarko Basin (22 MMBoe).

2019 – Total revisions other than price in 2019 were primarily due to changes in previously adopted development plans in the Anadarko Basin (-9 MMBoe) and in the Delaware Basin (-6 MMBoe). An additional downward revision of 5 MMBoe was the result of reduced recovery estimates attributable to continued evaluation of analogous offset well performance primarily in the Anadarko Basin.

Extensions and Discoveries

Each year, Devon's proved reserves extensions and discoveries consist of adding proved undeveloped reserves to locations classified as undeveloped at year-end and adding proved developed reserves from successful development wells drilled on locations outside the areas classified as proved at the previous year-end. Therefore, it is not uncommon for Devon's total proved extensions and discoveries to differ from the extensions and discoveries for Devon's proved undeveloped reserves. Furthermore, because annual additions are classified according to reserve determinations made at the previous year-end and because Devon operates a multi-basin portfolio with assets at varying stages of maturity, extensions and discoveries for proved developed and proved undeveloped reserves can differ significantly in any particular year.

2021 – Of the 228 MMBoe of additions from extensions and discoveries, 209 MMBoe were in the Delaware Basin, 8 MMBoe were in the Anadarko Basin, 6 MMBoe were in the Williston Basin, 3 MMBoe were in Eagle Ford and 2 MMBoe were in the Powder River Basin.

2020 – Of the 135 MMBoe of additions from extensions and discoveries, 117 MMBoe were in the Delaware Basin, 8 MMBoe were in the Anadarko Basin, 5 MMBoe were in the Powder River Basin and 5 MMBoe were in Eagle Ford.

2019 – Of the 160 MMBoe of additions from extensions and discoveries, 77 MMBoe were in the Delaware Basin, 37 MMBoe were in the Anadarko Basin, 28 MMBoe were in the Powder River Basin and 18 MMBoe were in Eagle Ford. In 2019, there were no additions related to infill drilling activities.

Purchase of Reserves

During 2021, Devon had reserve additions due to the Merger of 538 MMBoe in the Delaware Basin and 125 MMBoe in the Williston Basin. For additional information on these asset additions, see Note 2.

Sale of Reserves

During 2021, 2020 and 2019, Devon had U.S. non-core asset divestitures. For additional information on these divestitures, see Note 2.

Proved Undeveloped Reserves

The following table presents the changes in Devon's total proved undeveloped reserves during 2021 (MMBoe).

	Total
Proved undeveloped reserves as of December 31, 2020	178
Extensions and discoveries	160
Revisions due to prices	8
Revisions other than price	11
Purchase of reserves	90
Sale of reserves	—
Conversion to proved developed reserves	(107)
Proved undeveloped reserves as of December 31, 2021	340

Total proved undeveloped reserves increased 91% from 2020 to 2021 with the year-end 2021 balance representing 21% of total proved reserves. Approximately 92% of the 160 MMBoe in extensions and discoveries were the result of Devon's focus on drilling and development activities in the Delaware Basin. This continued development in the Delaware Basin also accounted for 85% of the 107 MMBoe of proved undeveloped reserves being converted to proved developed reserves in 2021. Costs incurred to develop and convert Devon's proved undeveloped reserves were approximately $612 million for 2021. Additionally, 98% of the 90 MMBoe of purchased reserves relate to the complementary Delaware Basin assets acquired through the Merger. Purchase of reserves included in the table above reflect proved undeveloped reserves acquired in the Merger that remain undeveloped as of December 31, 2021. Proved undeveloped reserves revisions other than price were primarily due to well performance in the Delaware Basin (14 MMBoe) and Anadarko Basin (6 MMBoe) which was partially offset by changes in previously adopted development plans in the Anadarko Basin (-6 MMBoe) and Delaware Basin (-3 MMBoe).

Standardized Measure

The following tables reflect Devon's standardized measure of discounted future net cash flows from its proved reserves.

	Year Ended December 31,		
	2021	2020	2019
Future cash inflows	$ 66,321	$ 14,957	$ 20,750
Future costs:			
Development	(3,689)	(1,747)	(2,093)
Production	(22,975)	(7,964)	(9,174)
Future income tax expense	(6,423)	—	(1,037)
Future net cash flow	33,234	5,246	8,446
10% discount to reflect timing of cash flows	(13,933)	(1,774)	(3,048)
Standardized measure of discounted future net cash flows	$ 19,301	$ 3,472	$ 5,398

Future cash inflows, development costs and production costs were computed using the same assumptions for prices and costs that were used to estimate Devon's proved oil and gas reserves at the end of each year. For 2021

DEVON ENERGY CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

estimates, Devon's future realized prices were assumed to be $64.17 per Bbl of oil, $3.05 per Mcf of gas and $27.60 per Bbl of NGLs. Of the $3.7 billion of future development costs as of the end of 2021, $1.1 billion, $0.7 billion and $0.6 billion are estimated to be spent in 2022, 2023 and 2024, respectively.

Future development costs include not only development costs but also future asset retirement costs. Included as part of the $3.7 billion of future development costs are $0.5 billion of future asset retirement costs. The future income tax expenses have been computed using statutory tax rates, giving effect to allowable tax deductions and tax credits under current laws.

The principal changes in Devon's standardized measure of discounted future net cash flows are as follows:

	Year Ended December 31,		
	2021	2020	2019
Beginning balance	$ 3,472	$ 5,398	$ 7,150
Net changes in prices and production costs	8,274	(3,277)	(2,323)
Oil, gas and NGL sales, net of production costs	(7,400)	(1,572)	(2,612)
Changes in estimated future development costs	(414)	402	303
Extensions and discoveries, net of future development costs	3,877	988	1,690
Purchase of reserves	12,460	23	43
Sales of reserves in place	(12)	(7)	(481)
Revisions of quantity estimates	838	147	(359)
Previously estimated development costs incurred during the period	663	537	857
Accretion of discount	1,218	285	506
Net change in income taxes and other	(3,675)	548	624
Ending balance	$ 19,301	$ 3,472	$ 5,398

Item 9. ***Changes in and Disagreements with Accountants on Accounting and Financial Disclosure***

Not applicable.

Item 9A. ***Controls and Procedures***

Disclosure Controls and Procedures

We have established disclosure controls and procedures to ensure that material information relating to Devon, including its consolidated subsidiaries, is made known to the officers who certify Devon's financial reports and to other members of senior management and the Board of Directors.

Based on their evaluation, our principal executive and principal financial officers have concluded that our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934) were effective as of December 31, 2021 to ensure that the information required to be disclosed by Devon in the reports that it files or submits under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in the SEC rules and forms.

Management's Annual Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting for Devon, as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934. Under the supervision and with the participation of Devon's management, including our principal executive and principal financial officers, we conducted an evaluation of the effectiveness of our internal control over financial reporting based on the framework in *Internal Control – Integrated Framework* issued in 2013 by the Committee of Sponsoring Organizations of the Treadway Commission (the "2013 COSO Framework"). Based on this evaluation under the 2013 COSO Framework, which was completed on February 16, 2022, management concluded that its internal control over financial reporting was effective as of December 31, 2021.

The effectiveness of our internal control over financial reporting as of December 31, 2021 has been audited by KPMG LLP, an independent registered public accounting firm who audited our consolidated financial statements as of and for the year ended December 31, 2021, as stated in their report, which is included under "Item 8. Financial Statements and Supplementary Data" of this report.

Changes in Internal Control Over Financial Reporting

There was no change in our internal control over financial reporting during the fourth quarter of 2021 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. ***Other Information***

Not applicable.

Item 9C. ***Disclosure Regarding Foreign Jurisdictions that Prevent Inspections***

Not applicable.

PART III

Item 10. ***Directors, Executive Officers and Corporate Governance***

The information called for by this Item 10 is incorporated herein by reference to the definitive Proxy Statement to be filed by Devon pursuant to Regulation 14A of the General Rules and applicable information in Regulations under the Securities Exchange Act of 1934 no later than 120 days following the fiscal year ended December 31, 2021.

Item 11. ***Executive Compensation***

The information called for by this Item 11 is incorporated herein by reference to the definitive Proxy Statement to be filed by Devon pursuant to Regulation 14A of the General Rules and applicable information in Regulations under the Securities Exchange Act of 1934 no later than 120 days following the fiscal year ended December 31, 2021.

Item 12. ***Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters***

The information called for by this Item 12 is incorporated herein by reference to the definitive Proxy Statement to be filed by Devon pursuant to Regulation 14A of the General Rules and applicable information in Regulations under the Securities Exchange Act of 1934 no later than 120 days following the fiscal year ended December 31, 2021.

Item 13. ***Certain Relationships and Related Transactions, and Director Independence***

The information called for by this Item 13 is incorporated herein by reference to the definitive Proxy Statement to be filed by Devon pursuant to Regulation 14A of the General Rules and applicable information in Regulations under the Securities Exchange Act of 1934 no later than 120 days following the fiscal year ended December 31, 2021.

Item 14. ***Principal Accountant Fees and Services***

The information called for by this Item 14 is incorporated herein by reference to the definitive Proxy Statement to be filed by Devon pursuant to Regulation 14A of the General Rules and applicable information in Regulations under the Securities Exchange Act of 1934 no later than 120 days following the fiscal year ended December 31, 2021.

PART IV

Item 15. ***Exhibits and Financial Statement Schedules***

(a) The following documents are included as part of this report:

1. Consolidated Financial Statements

Reference is made to the Index to Consolidated Financial Statements and Consolidated Financial Statement Schedules appearing at "Item 8. Financial Statements and Supplementary Data" in this report.

2. Consolidated Financial Statement Schedules

All financial statement schedules are omitted as they are inapplicable, or the required information has been included in the consolidated financial statements or notes thereto.

3. Exhibits

Exhibit No.	Description
2.1	Agreement of Purchase and Sale, dated as of May 28, 2019, among Devon Canada Corporation, Devon Canada Crude Marketing Corporation and Canadian Natural Resources Limited (incorporated by reference to Exhibit 2.1 to Registrant's Form 8-K filed May 31, 2019; File No. 001-32318).
2.2	Purchase and Sale Agreement, dated December 17, 2019, by and between Devon Energy Production Company, L.P. and BKV Barnett, LLC (incorporated by reference to Exhibit 2.1 to Registrant's Form 8-K filed December 18, 2019; File No. 001-32318).*
2.3	First Amendment to Purchase and Sale Agreement, dated April 13, 2020, by and between Devon Energy Production Company, L.P., BKV Barnett, LLC, and solely with respect to certain provisions therein, BKV Oil & Gas Capital Partners, L.P. (incorporated by reference to Exhibit 2.1 to Registrant's Current Report on Form 8-K filed April 14, 2020; File No. 001-32318).
2.4	Agreement and Plan of Merger, dated September 26, 2020, by and among Registrant, East Merger Sub, Inc., and WPX Energy, Inc. (incorporated by reference to Exhibit 2.1 to Registrant's Current Report on Form 8-K, filed September 28, 2020; File No. 001-32318).
3.1	Registrant's Restated Certificate of Incorporation (incorporated by reference to Exhibit 3.1 of Registrant's Form 10-K filed February 21, 2013; File No. 001-32318).
3.2	Registrant's Bylaws (incorporated by reference to Exhibit 3.1 of Registrant's Form 8-K filed January 27, 2016; File No. 001-32318).
4.1	Indenture, dated as of July 12, 2011, between Registrant and UMB Bank, National Association, as Trustee (incorporated by reference to Exhibit 4.1 to Registrant's Form 8-K filed July 12, 2011; File No. 001-32318).
4.2	Supplemental Indenture No. 1, dated as of July 12, 2011, to Indenture dated as of July 12, 2011, between Registrant and UMB Bank, National Association, as Trustee, relating to the 5.60% Senior Notes due 2041 (incorporated by reference to Exhibit 4.2 to Registrant's Form 8-K filed July 12, 2011; File No. 001-32318).
4.3	Supplemental Indenture No. 2, dated as of May 14, 2012, to Indenture dated as of July 12, 2011, between Registrant and UMB Bank, National Association, as Trustee, relating to the 4.750% Senior Notes due 2042 (incorporated by reference to Exhibit 4.1 to Registrant's Form 8-K filed May 14, 2012; File No. 001-32318).

Exhibit No.	Description
4.4	Supplemental Indenture No. 4, dated as of June 16, 2015, to Indenture dated as of July 12, 2011, between Registrant and UMB Bank, National Association, as Trustee, relating to the 5.000% Senior Notes due 2045 (incorporated by reference to Exhibit 4.1 to Registrant's Form 8-K filed June 16, 2015; File No. 001-32318).
4.5	Supplemental Indenture No. 5, dated as of December 15, 2015, to Indenture dated as of July 12, 2011, between Registrant and UMB Bank, National Association, as Trustee, relating to the 5.850% Senior Notes due 2025 (incorporated by reference to Exhibit 4.1 to Registrant's Form 8-K filed December 15, 2015; File No. 001-32318).
4.6	Supplemental Indenture No. 6, dated as of June 9, 2021, between Registrant and UMB Bank, National Association, as Trustee, relating to the 8.250% Senior Notes due 2023 and the 5.250% Senior Notes due 2024 (incorporated by reference to Exhibit 4.2 to Registrant's Form 8-K filed June 9, 2021; File No. 001-32318).
4.7	Supplemental Indenture No. 7, dated as of June 9, 2021, between Registrant and UMB Bank, National Association, as Trustee, relating to the 5.250% Senior Notes due 2027, 5.875% Senior Notes due 2028 and 4.500% Senior Notes due 2030 (incorporated by reference to Exhibit 4.3 to Registrant's Form 8-K filed June 9, 2021; File No. 001-32318).
4.8	Indenture, dated as of March 1, 2002, between Registrant and The Bank of New York Mellon Trust Company, N.A. (as successor to The Bank of New York), as Trustee (incorporated by reference to Exhibit 4.1 of Registrant's Form 8-K filed April 9, 2002; File No. 000-30176).
4.9	Supplemental Indenture No. 1, dated as of March 25, 2002, to Indenture dated as of March 1, 2002, between Registrant and The Bank of New York Mellon Trust Company, N.A., as Trustee, relating to the 7.95% Senior Debentures due 2032 (incorporated by reference to Exhibit 4.2 to Registrant's Form 8-K filed April 9, 2002; File No. 000-30176).
4.10	Supplemental Indenture No. 4, dated as of March 22, 2018, to Indenture dated as of March 1, 2002, between Registrant and The Bank of New York Mellon Trust Company, N.A., as Trustee, relating to the 7.95% Senior Notes due 2032 (incorporated by reference to Exhibit 4.1 to Registrant's Form 8-K filed March 22, 2018; File No. 000-32318).
4.11	Indenture, dated as of October 3, 2001, among Devon Financing Company, L.L.C. (f/k/a Devon Financing Corporation, U.L.C.), as Issuer, Registrant, as Guarantor, and The Bank of New York Mellon Trust Company, N.A., originally The Chase Manhattan Bank, as Trustee, relating to the 7.875% Debentures due 2031 (incorporated by reference to Exhibit 4.7 to Registrant's Registration Statement on Form S-4 filed October 31, 2001; File No. 333-68694).
4.12	Assignment and Assumption Agreement, dated as of June 19, 2019, by and between Devon Financing Company, L.L.C. and Registrant, relating to that certain Indenture, dated as of October 3, 2001, by and among Devon Financing Company, L.L.C. (f/k/a Devon Financing Company, U.L.C.), as Issuer, Devon Energy Corporation, as Guarantor, and The Bank of New York Mellon Trust Company, N.A., as successor to The Chase Manhattan Bank, as Trustee, and the 7.875% Debentures due 2031 issued thereunder (incorporated by reference to Exhibit 4.1 to Registrant's Form 10-Q filed August 7, 2019; File No. 001-32318).
4.13	Senior Indenture, dated as of September 1, 1997, between Devon OEI Operating, L.L.C. (as successor to Seagull Energy Corporation) and The Bank of New York Mellon Trust Company, N.A. (as successor to The Bank of New York), as Trustee, and related Specimen of 7.50% Senior Notes due 2027 (incorporated by reference to Exhibit 4.4 to Ocean Energy Inc.'s Form 10-K filed March 23, 1998; File No. 001-08094).

Exhibit No.	Description
4.14	First Supplemental Indenture, dated as of March 30, 1999, to Senior Indenture dated as of September 1, 1997, by and among Devon OEI Operating, L.L.C., its Subsidiary Guarantor, and The Bank of New York Mellon Trust Company, N.A., as Trustee, relating to the 7.50% Senior Notes due 2027 (incorporated by reference to Exhibit 4.10 to Ocean Energy, Inc.'s Form 10-Q filed May 17, 1999; File No. 001-08094).
4.15	Second Supplemental Indenture, dated as of May 9, 2001, to Senior Indenture dated as of September 1, 1997, by and among Devon OEI Operating, L.L.C., its Subsidiary Guarantor, and The Bank of New York Mellon Trust Company, N.A., as Trustee, relating to the 7.50% Senior Notes due 2027 (incorporated by reference to Exhibit 99.4 to Ocean Energy, Inc.'s Form 8-K filed May 14, 2001; File No. 033-06444).
4.16	Third Supplemental Indenture, dated as of December 31, 2005, to Senior Indenture dated as of September 1, 1997, by and among Devon OEI Operating, L.L.C., as Issuer, Devon Energy Production Company, L.P., as Successor Guarantor, and The Bank of New York Mellon Trust Company, N.A., as Trustee, relating to the 7.50% Senior Notes due 2027 (incorporated by reference to Exhibit 4.27 of Registrant's Form 10-K filed March 3, 2006; File No. 001-32318).
4.17	Indenture, dated as of September 8, 2014, between WPX Energy, Inc. and The Bank of New York Mellon Trust Company, N.A., as Trustee (incorporated herein by reference to Exhibit 4.1 to WPX Energy, Inc.'s Form 8-K filed September 8, 2014; File No. 001-35322).
4.18	First Supplemental Indenture, dated as of September 8, 2014, between WPX Energy, Inc. and The Bank of New York Mellon Trust Company, N.A., as Trustee, relating to the 5.25% Senior Notes due 2024 (incorporated herein by reference to Exhibit 4.2 to WPX Energy, Inc.'s Form 8-K filed September 8, 2014; File No. 001-35322).
4.19	Second Supplemental Indenture, dated as of July 22, 2015, between WPX Energy, Inc. and The Bank of New York Mellon Trust Company, N.A., as Trustee, relating to the 8.25% Senior Notes due 2023 (incorporated herein by reference to Exhibit 4.1 to WPX Energy, Inc.'s Form 8-K filed July 22, 2015; File No. 001-35322).
4.20	Fourth Supplemental Indenture, dated as of September 24, 2019, between WPX Energy, Inc. and The Bank of New York Mellon Trust Company, N.A. as Trustee, relating to the 5.250% Senior Notes due 2027 (incorporated herein by reference to Exhibit 4.1 to WPX Energy, Inc.'s Form 8-K filed on September 24, 2019; File No. 001-35322).
4.21	Fifth Supplemental Indenture, dated as of January 10, 2020, between WPX Energy, Inc. and The Bank of New York Mellon Trust Company, N.A. as Trustee, relating to the 4.500% Senior Notes due 2030 (incorporated herein by reference to Exhibit 4.1 to WPX Energy, Inc.'s Form 8-K filed June 17, 2020; File No. 001-35322).
4.22	Sixth Supplemental Indenture, dated as of June 17, 2020, between WPX Energy, Inc. and the Bank of New York Mellon Trust Company, N.A. as Trustee, relating to the 5.875% Senior Notes due 2028 (incorporated herein by reference to Exhibit 4.1 to WPX Energy, Inc.'s Form 8-K filed January 10, 2020; File No. 001-35322).
4.23	Supplemental Indenture No. 7, dated as of June 9, 2021, between WPX Energy, Inc. and The Bank of New York Mellon Trust Company, N.A., as Trustee, relating to the 8.250% Senior Notes due 2023, the 5.250% Senior Notes due 2024, the 5.250% Senior Notes due 2027, the 5.875% Senior Notes due 2028 and the 4.500% Senior Notes due 2030 (incorporated by reference to Exhibit 4.5 to Registrant's Form 8-K filed June 9, 2021; File No. 001-32318).
4.24	Description of Securities Registered under Section 12 of the Securities Exchange Act of 1934.

Exhibit No.	Description
10.1	Credit Agreement, dated as of October 5, 2018, among Registrant, as U.S. Borrower, Devon Canada Corporation, as Canadian Borrower, Bank of America, N.A., as Administrative Agent, Swing Line Lender and an L/C Issuer, and each Lender and L/C Issuer from time to time party thereto (incorporated by reference to Exhibit 10.1 of Registrant's Form 8-K filed October 9, 2018; File No. 001-32318).
10.2	First Amendment to Credit Agreement and Extension Agreement, dated as of December 13, 2019, by and among Registrant, as U.S. Borrower, Devon Canada Corporation, as Canadian Borrower, Bank of America, N.A., individually and as Administrative Agent, and the Lenders party thereto (incorporated by reference to Exhibit 10.2 to Registrant's Form 10-K filed February 19, 2020; File No. 001-32318).
10.3	Devon Energy Corporation 2017 Long-Term Incentive Plan (incorporated by reference to Exhibit 99.1 to Registrant's Form S-8 filed June 7, 2017; File No. 333-218561).**
10.4	2021 Amendment (effective as of January 7, 2021) to the Devon Energy Corporation 2017 Long-Term Incentive Plan (incorporated by reference to Exhibit 10.7 to the Company's Form 10-K filed February 17, 2021; File No. 001-32318).**
10.5	WPX Energy, Inc. 2013 Incentive Plan, and amendments No. 1 and No. 2 thereto (incorporated by reference to Exhibit 10.1 to WPX Energy, Inc.'s Form 8-K filed on February 19, 2018; File No. 001-35322).**
10.6	Amendment No. 3 to the WPX Energy, Inc. 2013 Incentive Plan (incorporated by reference to Appendix A to WPX Energy, Inc.'s definitive proxy statement on Schedule 14A filed March 29, 2018; File No. 001-35322).**
10.7	Amendment No. 4 to the WPX Energy, Inc. 2013 Incentive Plan and Global Amendment to Restricted Stock Unit Agreements effective December 1, 2021.**
10.8	Devon Energy Corporation Annual Incentive Compensation Plan (amended and restated effective as of January 1, 2017) (incorporated by reference to Exhibit 10.1 to Registrant's Form 8-K filed June 12, 2017; File No. 001-32318).**
10.9	Devon Energy Corporation Non-Qualified Deferred Compensation Plan (amended and restated effective as of January 1, 2021).**
10.10	Devon Energy Corporation Benefit Restoration Plan (amended and restated effective January 1, 2012) (incorporated by reference to Exhibit 10.15 to Registrant's Form 10-K filed February 24, 2012; File No. 001-32318).**
10.11	Amendment 2014-1, executed March 7, 2014, to the Devon Energy Corporation Benefit Restoration Plan (incorporated by reference to Exhibit 10.6 to Registrant's Form 10-Q filed May 9, 2014; File No. 001-32318).**
10.12	Amendment 2015-1, executed April 15, 2015, to the Devon Energy Corporation Benefit Restoration Plan (incorporated by reference to Exhibit 10.1 to Registrant's Form 10-Q filed May 6, 2015; File No. 001-32318).**
10.13	Amendment 2016-1, executed October 20, 2016, to the Devon Energy Corporation Benefit Restoration Plan (incorporated by reference to Exhibit 10.17 to Registrant's Form 10-K filed February 15, 2017; File No. 001-32318).**
10.14	Amendment 2020-1, executed December 23, 2020, to the Devon Energy Corporation Benefit Restoration Plan (incorporated by reference to Exhibit 10.20 to the Company's Form 10-K filed February 17, 2021; File No. 001-32318).**
10.15	Devon Energy Corporation Defined Contribution Restoration Plan (amended and restated effective as of January 1, 2021).**
10.16	Devon Energy Corporation Supplemental Contribution Plan (amended and restated effective as of January 1, 2021).**

Exhibit No.	Description
10.17	Devon Energy Corporation Supplemental Executive Retirement Plan (amended and restated effective January 1, 2012) (incorporated by reference to Exhibit 10.18 to Registrant's Form 10-K filed February 24, 2012; File No. 001-32318).**
10.18	Amendment 2016-1, executed October 20, 2016, to the Devon Energy Corporation Supplemental Executive Retirement Plan (incorporated by reference to Exhibit 10.25 to Registrant's Form 10-K filed February 15, 2017; File No. 001-32318).**
10.19	Amendment 2019-1, executed June 19, 2019, to the Devon Energy Corporation Supplemental Executive Retirement Plan (incorporated by reference to Exhibit 10.3 to Registrant's Form 10-Q filed August 7, 2019; File No. 001-32318).**
10.20	Amendment 2020-1, executed December 23, 2020, to the Devon Energy Corporation Supplemental Executive Retirement Plan (incorporated by reference to Exhibit 10.35 to Registrant's Form 10-K filed February 17, 2021; File No. 001-32318).**
10.21	Devon Energy Corporation Supplemental Retirement Income Plan (amended and restated effective January 1, 2012) (incorporated by reference to Exhibit 10.19 to Registrant's Form 10-K filed February 24, 2012; File No. 001-32318).**
10.22	Amendment 2014-1, executed March 7, 2014, to the Devon Energy Corporation Supplemental Retirement Income Plan (incorporated by reference to Exhibit 10.9 to Registrant's Form 10-Q filed May 9, 2014; File No. 001-32318).**
10.23	Amendment 2016-1, executed October 20, 2016, to the Devon Energy Corporation Supplemental Retirement Income Plan (incorporated by reference to Exhibit 10.28 to Registrant's Form 10-K filed February 15, 2017; File No. 001-32318).**
10.24	Amendment 2019-1, effective September 10, 2019, to the Devon Energy Corporation Supplemental Retirement Income Plan (incorporated by reference to Exhibit 10.2 to Registrant's Form 10-Q filed November 6, 2019; File No. 001-32318).**
10.25	Amendment 2020-1, executed December 23, 2020, to the Devon Energy Corporation Supplemental Retirement Income Plan (incorporated by reference to Exhibit 10.40 to the Company's Form 10-K filed February 17, 2021; File No. 001-32318).**
10.26	Devon Energy Corporation Incentive Savings Plan (amended and restated effective as of January 1, 2022).**
10.27	Amended and Restated Form of Employment Agreement between Registrant and certain executive officers (incorporated by reference to Exhibit 10.19 to Registrant's Form 10-K filed February 27, 2009; File No. 001-32318).**
10.28	Form of Amendment No. 1 to the Amended and Restated Employment Agreement between Registrant and certain executive officers (incorporated by reference to Exhibit 10.1 to Registrant's Form 8-K filed April 25, 2011; File No. 001-32318).**
10.29	Form of Employment Agreement between Registrant and certain executive officers (incorporated by reference to Exhibit 10.22 to Registrant's Form 10-K filed February 28, 2014; File No. 001-32318).**
10.30	Employment Agreement, dated effective April 19, 2017, by and between Registrant and Mr. Jeffrey L. Ritenour (incorporated by reference to Exhibit 10.1 to Registrant's Form 8-K, filed on April 20, 2017; File No. 001-32318).**
10.31	Employment Agreement, dated effective September 13, 2019, by and between Registrant and Mr. David G. Harris (incorporated by reference to Exhibit 10.1 to Registrant's Form 8-K filed September 16, 2019; File No. 001-32318).**

Exhibit No.	Description
10.32	Employment Agreement, dated January 7, 2021, by and between Registrant and Richard E. Muncrief (incorporated by reference to Exhibit 10.3 to Registrant's Form 8-K filed January 7, 2021; File No. 001-32318).**
10.33	Employment Agreement, dated January 7, 2021, by and between Registrant and Clay M. Gaspar (incorporated by reference to Exhibit 10.4 to Registrant's Form 8-K filed January 7, 2021; File No. 001-32318).**
10.34	Employment Agreement, dated January 7, 2021, by and between Registrant and Dennis C. Cameron (incorporated by reference to Exhibit 10.5 to Registrant's Form 8-K filed January 7, 2021; File No. 001-32318).**
10.35	Severance Agreement, dated March 2, 2010, between Registrant and Tana K. Cashion (incorporated by reference to Exhibit 10.56 to the Company's Form 10-K filed February 17, 2021; File No. 001-32318).**
10.36	WPX Energy Nonqualified Deferred Compensation Plan, effective January 1, 2013 (incorporated herein by reference to Exhibit 10.16 to WPX Energy, Inc.'s Form 10-K filed February 28, 2013; File No. 001-35322).**
10.37	First Amendment to the WPX Energy Nonqualified Deferred Compensation Plan, executed January 4, 2021.**
10.38	Second Amendment to the WPX Energy Nonqualified Deferred Compensation Plan, executed December 15, 2021.**
10.39	WPX Energy Board of Directors Nonqualified Deferred Compensation Plan, effective January 1, 2013 (incorporated herein by reference to Exhibit 10.17 to WPX Energy, Inc.'s Form 10-K filed February 28, 2013; File No. 001-35322).**
10.40	First Amendment to the WPX Energy Board of Directors Nonqualified Deferred Compensation Plan, executed December 9, 2021.**
10.41	WPX Energy Nonqualified Restoration Plan, effective January 1, 2015.**
10.42	First Amendment to the WPX Energy Nonqualified Restoration Plan, executed January 4, 2021.**
10.43	Second Amendment to the WPX Energy Nonqualified Restoration Plan, executed December 15, 2021.**
10.44	Form of Indemnity Agreement between Registrant and non-management directors (incorporated by reference to Exhibit 10.40 to Registrant's Form 10-K filed February 19, 2020; File No. 001-32318).**
10.45	2018 Form of Notice of Grant of Restricted Stock Award and Award Agreement under the 2017 Long-Term Incentive Plan between Registrant and executive officers for restricted stock awarded (incorporated by reference to Exhibit 10.1 to Registrant's Form 10-Q filed on May 2, 2018; File No. 001-32318).**
10.46	2019 Form of Notice of Grant of Restricted Stock Award and Award Agreement under the 2017 Long-Term Incentive Plan between Registrant and executive officers for restricted stock awarded (incorporated by reference to Exhibit 10.1 to Registrant's Form 10-Q filed May 1, 2019; File No. 001-32318).**
10.47	2020 Form of Notice of Grant of Restricted Stock Award and Award Agreement under the 2017 Long-Term Incentive Plan between Registrant and certain officers for restricted stock awarded (CEO and EVP form) (incorporated by reference to Exhibit 10.1 to Registrant's Form 10-Q filed May 6, 2020; File No. 001-32318).**

Exhibit No.	Description
10.48	2020 Form of Notice of Grant of Restricted Stock Award and Award Agreement under the 2017 Long-Term Incentive Plan between Registrant and certain officers for restricted stock awarded (SVP form) (incorporated by reference to Exhibit 10.3 to Registrant's Form 10-Q filed May 6, 2020; File No. 001-32318).**
10.49	2021 Form of Notice of Grant of Restricted Stock Award and Award Agreement under the 2017 Long-Term Incentive Plan between Devon Energy Corporation and certain officers for restricted stock awarded (incorporated by reference to Exhibit 10.1 to Registrant's Form 10-Q filed May 5, 2021; File No. 001-32318).**
10.50	2019 Form of Notice of Grant of Performance Share Unit Award and Award Agreement under the 2017 Long-Term Incentive Plan between Registrant and executive officers for performance based restricted share units awarded (incorporated by reference to Exhibit 10.2 to Registrant's Form 10-Q filed May 1, 2019; File No. 001-32318).**
10.51	2020 Form of Notice of Grant of Performance Share Unit Award and Award Agreement under the 2017 Long-Term Incentive Plan between Registrant and certain officers for performance based restricted share units awarded (CEO and EVP form) (incorporated by reference to Exhibit 10.2 to Registrant's Form 10-Q filed May 6, 2020; File No. 001-32318).**
10.52	2020 Form of Notice of Grant of Performance Share Unit Award and Award Agreement under the 2017 Long-Term Incentive Plan between Registrant and certain officers for performance based restricted share units awarded (SVP form) (incorporated by reference to Exhibit 10.4 to Registrant's Form 10-Q filed May 6, 2020; File No. 001-32318).**
10.53	2021 Form of Notice of Grant of Performance Share Unit Award and Award Agreement under the 2017 Long-Term Incentive Plan between Devon Energy Corporation and certain officers for performance based restricted share units awarded. (incorporated by reference to Exhibit 10.2 to the Company's Form 10-Q filed May 5, 2021; File No. 001-32318).**
10.54	2021 Form of Notice of Grant of Restricted Stock Award and Award Agreement under the 2017 Long-Term Incentive Plan between the Company and all non-management directors for restricted stock awarded (incorporated by reference to Exhibit 10.1 to the Company's Form 10-Q filed August 4, 2021; File No. 001-32318).**
10.55	Form of Nonqualified Stock Option Agreement between WPX Energy, Inc. and certain executive officers (incorporated herein by reference to Exhibit 10.15 to WPX Energy, Inc.'s Form 10-Q filed May 7, 2014; File No. 001-35322).**
10.56	Form of Nonqualified Stock Option Agreement between WPX Energy, Inc. and Richard E. Muncrief (incorporated herein by reference to Exhibit 10.2 to WPX Energy, Inc.'s Form 8-K filed May 2, 2014; File No. 001-35322).**
10.57	Form of Restricted Stock Unit Award between WPX Energy, Inc. and non-employee directors (incorporated herein by reference to Exhibit 10.1 to WPX Energy, Inc.'s Form 8-K filed September 3, 2014; File No. 001-35322).**
10.58	Form of Amended and Restated Time-Based Restricted Stock Agreement between WPX Energy, Inc. and certain executive officers (incorporated by reference to Exhibit 10.2 to WPX Energy, Inc.'s Form 8-K filed February 19, 2018; File No. 001-35322).**
10.59	Form of Amended and Restated Performance-Based Restricted Stock Unit Agreement between WPX Energy, Inc. and certain executive officers (incorporated by reference to Exhibit 10.3 to WPX Energy, Inc.'s Form 8-K filed February 19, 2018; File No. 001-35322).**
10.60	Form of Omnibus Amendment to Performance-Based Restricted Stock Unit Agreements between WPX Energy, Inc. and executive officers (incorporated herein by reference to Exhibit 10.40 to WPX Energy, Inc.'s Form 10-Q filed August 2, 2018; File No. 001-35322).**

Exhibit No.	Description
10.61	Form of Amended and Restated Performance-Based Restricted Stock Unit Agreement between WPX Energy, Inc. and certain executive officers (incorporated by reference to Exhibit 10.35 to WPX Energy, Inc.'s Form 10-K filed February 21, 2019; File No. 001-35322).**
10.62	Form of Amended and Restated Restricted Stock Unit Award Agreement between WPX Energy, Inc. and non-employee directors (incorporated herein by reference to Exhibit 10.38 to WPX Energy, Inc.'s Form 10-Q filed August 6, 2019; File No. 001-35322).**
10.63	Form of Amended Exhibit B to Amended and Restated Performance-Based Restricted Stock Unit Agreement between WPX Energy, Inc. and certain executive officers (incorporated herein by reference to Exhibit 10.39 to WPX Energy, Inc.'s Form 10-Q filed August 2, 2019; File No. 001-35322).**
10.64	Form of Global Amendment to Performance-Based Restricted Stock Unit Agreements between WPX Energy, Inc. and certain executive officers (incorporated by reference to Exhibit 10.1 to WPX Energy, Inc.'s Form 8-K filed January 7, 2021; File No. 001-35322).**
10.65	Tax Sharing Agreement, dated as of December 30, 2011, between The Williams Companies, Inc. and WPX Energy, Inc. (incorporated herein by reference to Exhibit 10.3 to WPX Energy, Inc.'s Form 8-K filed January 6, 2012; File No. 001-35322).
21	List of Subsidiaries.
23.1	Consent of KPMG LLP.
23.2	Consent of LaRoche Petroleum Consultants, Ltd.
31.1	Certification of principal executive officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of principal financial officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification of principal executive officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification of principal financial officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
99	Report of LaRoche Petroleum Consultants, Ltd.
101.INS	Inline XBRL Instance Document – the XBRL Instance Document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH	Inline XBRL Taxonomy Extension Schema Document.
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB	Inline XBRL Taxonomy Extension Labels Linkbase Document.
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

* Portions of this exhibit have been omitted in accordance with Item 601(b)(2)(ii) of Regulation S-K.

** Indicates management contract or compensatory plan or arrangement.

Item 16. ***Form 10-K Summary***

Not applicable.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

DEVON ENERGY CORPORATION

By: /s/ JEFFREY L. RITENOUR
Jeffrey L. Ritenour
Executive Vice President and
Chief Financial Officer

February 16, 2022

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

/s/ RICHARD E. MUNCRIEF Richard E. Muncrief	President, Chief Executive Officer and Director (Principal executive officer)	February 16, 2022
/s/ JEFFREY L. RITENOUR Jeffrey L. Ritenour	Executive Vice President and Chief Financial Officer (Principal financial officer)	February 16, 2022
/s/ JEREMY D. HUMPHERS Jeremy D. Humphers	Senior Vice President and Chief Accounting Officer (Principal accounting officer)	February 16, 2022
/s/ DAVID A. HAGER David A. Hager	Executive Chair and Director	February 16, 2022
/s/ BARBARA M. BAUMANN Barbara M. Baumann	Director	February 16, 2022
/s/ JOHN E. BETHANCOURT John E. Bethancourt	Director	February 16, 2022
/s/ ANN G. FOX Ann G. Fox	Director	February 16, 2022
/s/ KELT KINDICK Kelt Kindick	Director	February 16, 2022
/s/ JOHN KRENICKI JR. John Krenicki Jr.	Director	February 16, 2022
/s/ KARL F. KURZ Karl F. Kurz	Director	February 16, 2022
/s/ ROBERT A. MOSBACHER, JR. Robert A. Mosbacher, Jr.	Director	February 16, 2022
/s/ DUANE C. RADTKE Duane C. Radtke	Director	February 16, 2022
/s/ VALERIE M. WILLIAMS Valerie M. Williams	Director	February 16, 2022

DESCRIPTION OF SECURITIES REGISTERED UNDER SECTION 12 OF THE SECURITIES EXCHANGE ACT OF 1934

As of February 2, 2022, we have one class of securities registered under Section 12 of the Securities Exchange Act of 1934, as amended: our common stock, par value $0.10 per share ("common stock"). The following summary of terms of our common stock is based upon our restated certificate of incorporation (the "Charter") and amended and restated bylaws (the "Bylaws") currently in effect under Delaware law. This summary is not complete and is subject to, and qualified in its entirety by reference to, the Charter and the Bylaws. For a complete description of the terms and provisions of the common stock, refer to the Charter and Bylaws, which are filed as Exhibits 3.1 and 3.2, respectively, to this Annual Report on Form 10-K. Throughout this exhibit, references to the "Company," "Devon," "we," "our," and "us" refer to Devon Energy Corporation. We encourage you to read these documents and the applicable portion of the General Corporation Law of the State of Delaware, as amended (the "DGCL"), carefully.

General

Devon's authorized capital stock consists of:

- 1.0 billion shares of common stock; and
- 4.5 million shares of preferred stock, par value $1.00 per share ("preferred stock").

As of February 2, 2022, there were 664,247,588 shares of common stock outstanding and no shares of preferred stock outstanding.

Common Stock

Holders of common stock will be entitled to receive dividends out of legally available funds when and if declared by our board of directors. Subject to the rights of the holders of any outstanding shares of preferred stock, holders of shares of common stock will be entitled to cast one vote for each share held of record on all matters submitted to a vote of stockholders. They will not be entitled to cumulative voting rights for the election of directors. The shares of common stock have no preemptive, conversion or other rights to subscribe for or purchase any of our securities. Upon our liquidation or dissolution, the holders of shares of common stock are entitled to share ratably in any of our assets that remain after payment or provision for payment to creditors and holders of preferred stock.

Preferred Stock

The preferred stock may be issued in one or more series. Our board of directors may establish attributes of any series, including the designation and number of shares in the series, dividend rates (cumulative or noncumulative), voting rights, redemptions, conversion or preference rights, and any other rights and qualifications, preferences and limitations or restrictions on shares of a series. The issuance of preferred stock may have the effect of delaying, deferring or preventing a change in control of Devon without any vote or action by the stockholders and may adversely affect the voting and other rights of the holders of shares of common stock. The specific terms of a particular series of preferred stock will be described in a certificate of designation relating to that series.

Subject to the Charter and to any limitations imposed by any then outstanding preferred stock, we may issue additional series of preferred stock, at any time or from time to time, with such powers, preferences, rights and qualifications, limitations or restrictions as our board of directors determines, and without further action of the stockholders, including holders of our then outstanding preferred stock, if any.

Certain Anti-takeover Matters

The Charter and Bylaws contain provisions that may make it more difficult for a potential acquirer to acquire us by means of a transaction that is not negotiated with our board of directors. These provisions and certain provisions of the DGCL could delay or prevent a merger or acquisition that our stockholders consider favorable.

These provisions may also discourage acquisition proposals or have the effect of delaying or preventing a change in control, which could harm our stock price. Following is a description of the anti-takeover effects of certain provisions of the Charter and Bylaws.

No cumulative voting. The DGCL provides that stockholders of a Delaware corporation are not entitled to the right to cumulate votes in the election of directors unless its certificate of incorporation provides otherwise. The Charter provides that cumulative voting is not permitted.

Calling of special meetings of stockholders. The Bylaws provide that special meetings of our stockholders may be called only by or at the direction of our board of directors, the chairman of our board of directors, our president or by our secretary upon an appropriately made written request of one or more record holders owning, and having held continuously for a period of at least one year prior to the date such request is delivered, an aggregate of not less than 25% of the voting power of all outstanding shares of our capital stock.

Advance notice requirements for stockholder proposals and director nominations. The Bylaws provide that stockholders seeking to nominate candidates for election as directors or to bring business before an annual meeting of stockholders or a stockholder requested special meeting of stockholders must provide timely notice of their proposal in writing to our corporate secretary.

Generally, to be timely, a stockholder's notice regarding an annual meeting of stockholders must be received at our principal executive offices not less than 90 days nor more than 120 days prior to the first anniversary of the previous year's annual meeting. The Bylaws also specify requirements as to the form and content of a stockholder's notice. These provisions may impede stockholders' ability to bring matters before an annual meeting of stockholders, a stockholder requested special meeting of stockholders or make nominations for directors.

No action by stockholder consent. The Charter provides that any action required or permitted to be taken by the stockholders of Devon must be effected at a duly called annual or special meeting of Devon's stockholders, and specifically denies to the stockholders the ability to consent in writing to the taking of any action.

Limitations on liability and indemnification of officers and directors. The DGCL authorizes corporations to limit or eliminate the personal liability of directors to corporations and their stockholders for monetary damages for breaches of directors' fiduciary duties. The Charter provides that directors shall not be liable to the corporation or our stockholders for monetary damages for breach of fiduciary duty, except to the extent such exemption from liability or limitation thereof is not permitted under the DGCL as the same exists or may hereafter be amended.

The Charter and Bylaws require us to indemnify our directors, officers, employees and agents in certain circumstances and also authorize us to carry directors' and officers' insurance for the benefit of our directors, officers, employees and agents. We believe that these indemnification provisions and insurance are useful to attract and retain qualified directors and officers.

The limitation of liability and indemnification provisions in the Charter and Bylaws may discourage our stockholders from bringing lawsuits against directors for breach of their fiduciary duty. These provisions may also have the effect of reducing the likelihood of derivative litigation against directors and officers, even though such an action, if successful, might otherwise benefit us and our stockholders. In addition, a stockholder's investment may be adversely affected to the extent we pay the costs of settlement and damage awards against directors and officers pursuant to these indemnification provisions.

Board authority to amend bylaws. Under the Charter and Bylaws, our board of directors has the authority to adopt, amend or repeal our bylaws without the approval of our stockholders. However, our stockholders also have the right, with the affirmative vote of the holders of at least a majority of the combined voting power of the then-outstanding shares of voting stock and without the approval of our board of directors, to adopt, amend or repeal our bylaws.

General Corporation Law of the State of Delaware. Devon is a Delaware corporation that is subject to Section 203 of the DGCL. Section 203 provides that, subject to certain exceptions specified therein, a Delaware

corporation shall not engage in certain "business combinations" with any "interested stockholder" for a three-year period following the time that the stockholder became an interested stockholder unless:

- prior to such time, the board of directors approved either the business combination or the transaction that resulted in the stockholder becoming an interested stockholder;
- upon consummation of the transaction that resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the corporation's voting stock outstanding at the time the transaction commenced, excluding certain shares; or
- at or subsequent to that time, the business combination is approved by the board of directors of the corporation and by the affirmative vote of holders of at least 66 2⁄3% of the outstanding voting stock that is not owned by the interested stockholder.

Generally, a "business combination" includes a merger, asset or stock sale or other transaction that results in a financial benefit to the interested stockholder. Subject to certain exceptions, an "interested stockholder" is a person who, together with that person's affiliates and associates, owns, or within the previous three years did own, 15% or more of our voting stock.

Under certain circumstances, Section 203 could make it more difficult for a person who would be an "interested stockholder" to effect a "business combination" with Devon. Section 203 of the DGCL may encourage any person interested in acquiring Devon to negotiate in advance with our board of directors because the stockholder approval requirement would be avoided if our board of directors approves either the business combination or the transaction that results in such person becoming an interested stockholder. Section 203 of the DGCL also may make it more difficult to effect transactions involving the Company that our stockholders may otherwise deem to be in their best interests.

Listing

Our common stock is listed and traded on the New York Stock Exchange under the symbol "DVN."

Transfer Agent and Registrar

The transfer agent and registrar for our common stock is Computershare Trust Company, N.A. Its address is c/o Computershare Investor Services, 462 South 4th Street, Suite 1600, Louisville, KY 40202 or PO Box 505000, Louisville, KY 40233-5000 and its telephone number is (877) 860-5820.

AMENDMENT NO. 4 TO THE
WPX ENERGY, INC. 2013 INCENTIVE PLAN
AND
GLOBAL AMENDMENT TOOB RESTRICTED STOCK UNIT AGREEMENTS

This Amendment No. 4 to the WPX Energy, Inc. 2013 Incentive Plan and Global Amendment to Restricted Stock Unit Agreements (the "Amendment") is dated December 1, 2021 and amends the WPX Energy, Inc. 2013 Incentive Plan, as amended (the "Plan"), and each outstanding Time-Based Restricted Stock Unit Agreement, Performance-Based Restricted Stock Unit Agreement and Non-Management Director Restricted Stock Unit Agreement issued by WPX Energy, Inc. ("WPX") pursuant to the Plan.

RECITALS

WHEREAS, WPX, with shareholder approval, established an incentive plan effective May 22, 2013, known as the WPX Energy, Inc. 2013 Incentive Plan (the "Plan"); and

WHEREAS, as a result of the consummation of that certain Agreement and Plan of Merger with Devon Energy Corporation ("Devon") and East Merger Sub, Inc. (the "Merger Agreement"), WPX has become a wholly-owned subsidiary of Devon (the "Merger"); and

WHEREAS, pursuant to the terms of the Merger Agreement, each restricted stock unit under the Plan that was outstanding immediately prior to the effective time of the Merger and that by its terms did not settle by reason of the Merger was assumed by Devon and converted into a number of restricted stock units with respect to shares of common stock of Devon pursuant to a formula described in the Merger Agreement; and

WHEREAS, pursuant to resolutions of the Board of Directors of Devon approved on January 5, 2021, as of the effective time of the Merger, Devon assumed all rights and obligations under the Plan and all references to WPX in the Plan shall be deemed to refer to Devon and the Compensation Committee of the Devon Board (or its delegate) shall be the administrator of the Plan; and

WHEREAS, Devon, pursuant to such assumption of rights and obligations under the Plan and as authorized by the Board of Directors of Devon, wishes to amend the Plan and each outstanding Time-Based Restricted Stock Unit Agreement, Performance-Based Restricted Stock Unit Agreement and Non-Management Director Restricted Stock Unit Agreement (each, an "Agreement") as set forth below.

NOW, THEREFORE, the Plan and each Agreement are hereby amended as set forth herein.

1. **Effective Date.** This Amendment will be effective December 1, 2021.

2. **Definitions.**

(a) Capitalized terms used but not otherwise defined herein shall have the meanings assigned to them in the Plan.

(b) "Devon" means Devon Energy Corporation.

(c) "Devon Common Stock" means the common stock, par value $0.10 per share, of Devon, and after substitution, such other stock as shall be substituted therefore as provided in Section 4.2 of the Plan.

(d) "Employee RSU" means:

(i) any Restricted Stock Unit that is issued to an Eligible Person and that is outstanding and unvested as of December 1, 2021; and

(ii) any Performance Unit that is issued to an Eligible Person and that is outstanding and unvested as of December 1, 2021.

(e) "Non-Management Director RSU" means any Restricted Stock Unit that is issued to a Non-Management Director and that is outstanding as of December 1, 2021.

3. Employee Dividend Equivalent Rights.

(a) The provisions of this Section 3 amend and supersede any restriction described in Sections 8.2 and 9.3 of the Plan or in any other provision of the Plan with respect to a Grantee's right to receive dividend equivalents in respect of Employee RSUs.

(b) Each Employee RSU is hereby credited with a corresponding dividend equivalent right ("Employee DER"), which shall remain outstanding from the effective date of this Amendment until the earlier of the payment or forfeiture of the Employee RSU to which it corresponds. Pursuant to each outstanding Employee DER, the Grantee shall be entitled to receive a payment equal to any cash dividends paid on the shares of Devon Common Stock underlying the Employee RSU to which such Employee DER corresponds, provided that the record date with respect to any such dividend was after January 7, 2021 and prior to the earlier of the payment or forfeiture of the corresponding Employee RSU.

(c) Employee DERs will be credited to a bookkeeping account established on the records of Devon for the Grantee and will vest subject to the same conditions as are applicable to the corresponding Employee RSUs. Employee DERs will be paid in cash to the Grantee reasonably promptly following such vesting, but in no event will such payment be made later than March 15 of the calendar year following the calendar year in which such vesting occurs. Employee DERs will be forfeited to the extent that the corresponding Employee RSUs do not vest and are forfeited or cancelled.

(d) No interest shall be credited on Employee DERs.

4. Non-Management Director Dividend Equivalent Rights.

(a) The provisions of this Section 4 amend and supersede any restriction described in Section 8.2 and Article 14 of the Plan or in any other provision of the Plan with respect to a Non-Management Director's right to receive dividend equivalents in respect of Non-Management Director RSUs.

(b) Each Non-Management Director RSU is hereby credited with a corresponding dividend equivalent right ("Non-Management Director DER"), which shall remain outstanding from the effective date of this Amendment until the payment of the Non-Management Director RSU to which it corresponds. Pursuant to each outstanding Non-Management Director DER, the Non-Management Director shall be entitled to receive a payment equal to any cash dividends paid on the shares of Devon Common Stock underlying the Non-Management Director RSU to which such Non-Management Director DER corresponds, provided that the record date with respect to any such dividend was after January 7, 2021 and prior to the payment of the corresponding Non-Management Director RSU.

(c) Non-Management Director DERs will be credited to a bookkeeping account established on the records of Devon for the Non-Management Director and will be paid in accordance with the following:

(i) With respect to dividends paid to holders of Devon Common Stock before December 1, 2021, the corresponding Non-Management Director DERs will be paid in cash to the Non-Management Director no later than December 31, 2021.

(ii) With respect to dividends paid to holders of Devon Common Stock on or after December 1, 2021, the corresponding Non-Management Director DERs will be paid in cash to the Non-Management Director during the calendar year in which the dividend is paid to holders of Devon Common Stock.

(d) Non-Management Director DERs and any amounts that may become distributable in respect thereof shall be treated separately from the Non-Management Director RSUs and the rights arising in connection therewith for purposes of the designation of time and form of payments required by Section 409A of the Code.

(e) No interest shall be credited on Non-Management Director DERs.

5. All notices to Devon required under the Plan or any Agreement shall be in writing and delivered by hand or by mail, addressed to Devon Energy Corporation Corporate Secretary, 333 W. Sheridan Avenue, Oklahoma City, OK, 73102.

6. Except as amended above, all terms and conditions of the Plan and each Agreement shall remain in full force and effect.

DEVON ENERGY CORPORATION

NON-QUALIFIED DEFERRED COMPENSATION PLAN

Amended and Restated Effective as of January 1, 2021

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DEVON ENERGY CORPORATION
NON-QUALIFIED DEFERRED COMPENSATION PLAN

ARTICLE I
ESTABLISHMENT AND PURPOSE

1.1 Establishment. Devon Energy Corporation, a Delaware corporation ("Company"), established the Devon Energy Corporation Non-Qualified Deferred Compensation Plan effective October 1, 2001 (the "Plan"). The Company amended and restated the Plan effective April 15, 2014. The Company hereby amends and restates the Plan effective January 1, 2021 (the "Effective Date") to provide eligibility and contributions for the 2021 Plan Year for certain former employees of WPX Energy, Inc. as described in Appendix A. The April 15, 2014 amendment and this amendment and restatement only apply to the amounts deferred under the Plan on or after January 1, 2005, and to amounts deferred prior to January 1, 2005 that were not vested as of December 31, 2004. Amounts deferred under the Plan prior to January 1, 2005 that were vested as of December 31, 2004 (the "Grandfathered Amounts") shall be subject to the provisions of the Plan as in effect on October 3, 2004. It is intended that the Grandfathered Amounts are to remain exempt from the requirements of Section 409A of the Code.

1.2 Purpose. The Plan shall provide Eligible Employees the ability to defer payment of Base Salary and Bonus. The Plan is also intended to provide the amount of the benefit that could otherwise be earned under the Devon Energy Corporation Incentive Savings Plan (the "Qualified Plan") but which cannot be contributed due to the limitations imposed by (i) Section 401(a)(17) of the Code, which limits the annual compensation that may be taken into account in computing benefits under plans qualified under Sections 401(a) and 501(a) of the Code and (ii) Sections 401(k) and 402(g) of the Code, which limit benefits that may be contributed by the Company as a "matching contribution" under Section 401(m) of the Code (collectively referred to as the "IRS Limitations").

1.3 ERISA Status. The Plan is intended to qualify for the exemptions provided under Title I of ERISA for plans that are not tax-qualified and that are maintained primarily to provide deferred compensation for a select group of management or highly compensated employees as defined in Section 201(2) of ERISA.

ARTICLE II
DEFINITIONS

2.1 Definitions. For purposes of this Plan, the following definitions shall apply:

(a) "Account" means the recordkeeping accounts maintained by the Company to record the payment obligation of the Company to a Participant as determined under the terms of this Plan. The Company may maintain an Account to record the total obligation to the Participant under this Plan and component accounts to reflect amounts payable at different times and in different forms. Reference to an Account means any such Account established by the Company as the context requires.

(b) "Affiliate" means a corporation, trade or business that, together with the Company, is treated as a single employer under Section 414(b) or (c) of the Code.

(c) "Applicable Contribution Percentage" means the maximum matching contribution percentage the Participant is eligible to receive under the terms of the Qualified Plan for the Plan Year.

(d) "Base Salary" means the Participant's annualized gross rate of base salary paid before any deductions of any kind whatsoever.

(e) "Beneficiary" means the person, persons, trust, or other entity designated by a Participant, on the beneficiary designation form adopted by the Committee, to receive benefits, if any, under this Plan at such Participant's death pursuant to Section 6.4.

(f) "Board" means the Board of Directors of the Company.

(g) "Bonus" means the Participant's cash bonus to be earned during each calendar year before any deductions of any kind whatsoever.

(h) "Change of Control Payment Event" means the occurrence of any one of the following events:

(i) the Incumbent Directors cease for any reason to constitute at least a majority of the Board (for these purposes, the term "Incumbent Directors" means the members of the Board on the Effective Date; provided, however, that (a) any person becoming a director and whose election or nomination for election was approved by a vote of at least a majority of the Incumbent Directors then on the Board (either by a specific vote or by approval of the proxy statement of the Company in which such person is named as a nominee for director, without written objection to such nomination) shall be deemed an Incumbent Director, and (b) no individual initially elected or nominated as a director of the Company as a result of an actual or threatened election contest ("Election Contest"), pursuant to any proxy access procedures for stockholders included in the Company's organizational documents, or other actual or threatened solicitation of proxies or consents by or on behalf of any "person" (as such term is defined in Section 3(a)(9) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and as used in Sections 13(d)(3) and 14(d)(2) of the Exchange Act) ("Proxy Contest"), including by reason of any agreement intended to avoid or settle any Election Contest or Proxy Contest, shall be deemed an Incumbent Director; provided further, however, that when two or more persons act as a partnership, limited partnership, syndicate, or other group for the purpose of acquiring, holding, or disposing of Company securities, such partnership, syndicate or group shall be deemed a "person" for purposes of this definition);

(ii) any person is or becomes a "beneficial owner" (as such meaning is set forth in Rule 13d-3 under the Exchange Act), directly or indirectly, of Company securities representing 30% or more of either (x) the Company's outstanding shares of common stock or (y) the combined voting power of the Company's then-outstanding securities eligible to vote in the election of directors (each, "Company Securities"); provided, however, that the event described in this subsection (ii) shall not be deemed to be a Change of Control Payment Event by virtue of

any of the following acquisitions or transactions: (A) by the Company or any subsidiary, (B) by any employee benefit plan (or related trust) sponsored or maintained by the Company or any subsidiary, (C) by an underwriter temporarily holding securities pursuant to an offering of such securities, or (D) pursuant to a Non-Qualifying Transaction;

(iii) the consummation of a merger, consolidation, statutory share exchange, or similar form of corporate transaction involving the Company or any of its subsidiaries that requires the approval of the Company's stockholders, whether for such transaction or the issuance of securities in the transaction (a "Reorganization"), or the sale or other disposition of all or substantially all of the Company's assets to an entity that is not an Affiliate (a "Sale"), unless:

(1) immediately following the consummation of the Reorganization or Sale, the holders of the Company's shares of common stock hold or receive in such Reorganization or hold more than 50% of each of the outstanding common stock and the total voting power of securities eligible to vote in the election of directors of (x) the corporation resulting from such Reorganization or the corporation that has acquired all or substantially all of the assets of the Company (in either case, "the Surviving Corporation"), or (y) if applicable, the ultimate parent corporation that directly or indirectly has beneficial ownership of 100% of the voting securities eligible to elect directors of the Surviving Corporation ("the Parent Corporation"),

(2) no person (other than any employee benefit plan (or related trust) sponsored or maintained by the Surviving Corporation or the Parent Corporation) is or becomes, as a result of the Reorganization or Sale, the beneficial owner, directly or indirectly, of 30% or more of the outstanding shares of common stock or the total voting power of the outstanding voting securities eligible to vote in the election of directors of the Parent Corporation (or, if there is no Parent Corporation, the Surviving Corporation), and

(3) at least a majority of the members of the board of directors of the Parent Corporation (or, if there is no Parent Corporation, the Surviving Corporation) following the consummation of the Reorganization or Sale were Incumbent Directors at the time of the Board's approval of the execution of the initial agreement providing for such Reorganization or Sale;

(any Reorganization or Sale that satisfies all of the criteria specified in (1), (2) and (3) above shall be deemed to be a "Non-Qualifying Transaction"); or

(iv) the Company's stockholders consummate a plan of complete liquidation or dissolution of the Company.

Notwithstanding the foregoing, a Change of Control Payment Event shall not be deemed to occur solely because any person acquires beneficial ownership of more than 30% of Company Securities due to the Company's acquisition of Company Securities that reduces the number of Company Securities outstanding; provided, however, if, following such acquisition by the Company, such person becomes the beneficial owner of additional Company Securities that increases the percentage of outstanding Company Securities beneficially owned

by such person, a Change of Control Payment Event shall then occur. In addition, if a Change of Control Payment Event occurs pursuant to paragraph 2.1(h)(ii) above, no additional Change of Control Payment Event shall be deemed to occur pursuant to paragraph 2.1(h)(ii) by reason of subsequent changes in holdings by such person (except if the holdings by such person are reduced below 30% and thereafter increase to 30% or above).

Solely with respect to that portion of a Participant's Account that is subject to Section 409A of the Code, the foregoing definition of Change of Control Payment Event shall be interpreted, administered, limited and construed in a manner necessary to ensure that the occurrence of any such event shall result in a Change of Control Payment Event only if such event qualifies as a change in the ownership or effective control of a corporation, or a change in the ownership of a substantial portion of the assets of a corporation, as applicable, within the meaning of Treasury Regulation Section 1.409A-3(i)(5).

(i) "Code" means the Internal Revenue Code of 1986, as amended, and any regulations relating thereto.

(j) "Committee" means the Compensation Committee of the Board or a committee established by the Compensation Committee that has been delegated duties related to the Plan.

(k) "Credited Earnings" means the gains or losses applied to a Participant's Account pursuant to Section 7.2.

(l) "Deferred Amount" means the portion of a Participant's Base Salary or Bonus that the Participant elects to defer pursuant to ARTICLE IV, Deferred Amounts shall be determined by reference to the Plan Year in which the amount was deferred by the Participant.

(m) "Disabled" or "Disability" means the Participant is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or last for a continuous period of not less than 12 months. The Committee shall determine whether a Participant is Disabled in accordance with Section 409A of the Code.

(n) "ERISA" means the Employee Retirement Income Security Act of 1974, as amended.

(o) "Eligible Employee" means an employee who (i) is designated by the Committee as belonging to a "select group of management or highly compensated employees," as such phrase is defined under ERISA; (ii) an executive of the Company or an Affiliate employed at a minimum salary level designated from time to time by the Committee; (iii) a resident of the United States; and (iv) paid on the Company's or its Affiliate's United States payroll.

(p) "Employer" shall mean the Company and/or any Affiliate that employs a Participant in the Plan.

(q) "Participant" means an Eligible Employee who has Deferred Amounts and/or Supplemental Company Contributions credited to an Account under this Plan.

(r) "Plan" means this Devon Energy Non-Qualified Deferred Compensation Plan, as amended and restated effective as of the Effective Date.

(s) "Plan Year" means the 12-month period beginning on January 1 and ending on December 31.

(t) "Qualified Plan" means the Devon Energy Corporation Incentive Savings Plan or any successor plan thereto.

(u) "Separation from Service" means termination of employment with the Employer under the circumstances described below. Whether a Separation from Service has occurred shall be determined by the Committee in accordance with Section 409A of the Code.

Except in the case of a Participant on a bona fide leave of absence as provided below, a Participant is deemed to have incurred a Separation from Service if the Employer and the Participant reasonably anticipated that the level of services to be performed by the Participant after a certain date would be permanently reduced to 20% or less of the average services rendered by the Participant during the immediately preceding 36-month period (or the total period of employment, if less than 36 months), disregarding periods during which the Participant was on a bona fide leave of absence.

A Participant who is absent from work due to military leave, sick leave, or other bona fide leave of absence shall incur a Separation from Service on the first date immediately following the later of (i) the six-month anniversary of the commencement of the leave or (ii) the expiration of the Participant's right, if any, to reemployment under statute or contract.

For purposes of determining whether a Separation from Service has occurred, the Employer means the Employer as defined in Section 2.1(o), except that for purposes of determining whether another organization is an Affiliate of the Company, common ownership of at least 50% shall be determinative.

(v) "Specified Employee" means those employees of the Employer who are determined by the Committee to be a "specified employee" in accordance with Section 409A of the Code and the Devon Energy Corporation Specified Employee Policy.

(w) "Supplemental Company Contribution" means the contribution made by the Company for the benefit of a Participant under ARTICLE V in any Plan Year.

2.2 Construction. Except when otherwise indicated by the context, any masculine terminology when used in the Plan shall also include the feminine gender, and the definition of any term in the singular shall also include the plural.

2.3 Funding. The benefits described in this Plan are contractual obligations of the Employers to pay compensation for services, and shall constitute a liability to the Participants and/or their Beneficiaries in accordance with the terms hereof. All amounts paid under this Plan

shall be paid in cash from the general assets of the Employers and shall be subject to the general creditors of the Company and the Employer of the Participant. Benefits shall be reflected on the accounting records of the Employers but shall not be construed to create, or require the creation of, a trust, custodial or escrow account. No special or separate fund need be established and no segregation of assets need be made to ensure the payment of such benefits. No Participant shall have any right, title or interest whatsoever in or to any investment reserves, accounts, funds or assets that the Employer may purchase, establish or accumulate to aid in providing the benefits described in this Plan. Nothing contained in this Plan, and no action taken pursuant to its provisions, shall create or be construed to create a trust or a fiduciary relationship of any kind between an Employer or the Company and a Participant or any other person; provided, however, that the Company may establish and/or continue a grantor trust as defined in Section 671 of the Code to provide a source of funding for amounts deferred hereunder. Neither a Participant nor the Beneficiary of a Participant shall acquire any interest hereunder greater than that of an unsecured creditor of the Company or any Affiliate who is the Employer of such Participant.

ARTICLE III
ELIGIBILITY AND PARTICIPATION

3.1 Eligibility and Participation. The Committee shall provide employees selected for participation in this Plan with notice of the employee's selection as an Eligible Employee under this Plan for the applicable Plan Year and permit such Eligible Employee the opportunity to make an election pursuant to ARTICLE IV. Such notice may be given at such time and in such manner as the Committee may determine. All determinations as to whether an employee is eligible to make deferral elections shall be made by the Committee. The determinations of the Committee shall be final and binding on all employees.

ARTICLE IV
ELECTIVE DEFERRALS

4.1 Deferrals. Elective deferrals may be made with respect to the following sources in accordance with the provisions of ARTICLE IV:

(a) Bonus. An Eligible Employee may elect to defer, on such form and in such manner as are established by the Committee for such purpose, up to 100% of the Eligible Employee's Bonus as long as such deferral does not reduce such Eligible Employee's Bonus below an amount necessary to satisfy applicable tax withholding obligations, benefit plan contributions, and other withholding obligations. The deferral elections will apply to any Bonus that may be earned by an Eligible Employee in the applicable Plan Year.

(b) Base Salary. An Eligible Employee may elect to defer, on such form and in such manner as are established by the Committee for such purpose, up to 70% of the Eligible Employee's Base Salary. The deferral elections will apply to any Base Salary that may be earned by an Eligible Employee in the applicable Plan Year.

(c) Newly Eligible Employees. Notwithstanding the foregoing in subsections (a) and (b), the deferral election of any Eligible Employee who initially becomes eligible to participate in the Plan during a Plan Year pursuant to Section 4.2(b) shall apply only to Base

Salary and any Bonus that may be earned by such Eligible Employee with respect to services performed after the Eligible Employee files an irrevocable deferral election form and it is effective. In this regard, an Eligible Employee's Bonus deferral election shall be prorated to the extent necessary to ensure that it applies only to the portion of the Bonus earned for periods after the deferral election is filed and effective.

4.2 Timing of Deferral Election. The timing of deferral elections shall be as follows:

(a) Except as otherwise provided in subsection (b) with respect to an Eligible Employee's initial year of eligibility (if such Eligible Employee is designated by the Committee as initially being eligible to commence participation in the Plan during such initial year of eligibility), an Eligible Employee must file a deferral election form for each Plan Year and the Eligible Employee's election to defer Base Salary or Bonus shall apply to Base Salary or Bonus earned for services rendered during the Plan Year that commences immediately following the Plan Year in which the election is made and is irrevocable except as otherwise provided herein. Irrevocable elections to defer Base Salary or Bonus must be completed and filed on or before December 31 of the year immediately preceding the Plan Year in which the services related to the compensation to be deferred are rendered.

(b) For any Eligible Employee who is designated by the Committee as initially being eligible to commence participation in the Plan during a particular Plan Year, the Eligible Employee must file an irrevocable deferral election to defer Base Salary or Bonus earned with respect to services performed after the date on which the deferral election is filed and effective except as otherwise provided herein. A deferral election may not be effective any earlier than the date it is filed. Irrevocable elections to defer Base Salary or Bonus for the remainder of the Plan Year of initial eligibility must be completed and filed within 30 days after the date on which the Eligible Employee becomes initially eligible to participate in the Plan and shall apply to Base Salary or Bonus only as described in Section 4.1.

4.3 Election Forms. All elections to defer shall be made on a deferral election form. In addition to the deferral election form, a Participant may be required by the Committee to complete additional forms such that they have adequate information concerning the Deferred Amount, timing of distributions and the form of payment, if applicable.

ARTICLE V
SUPPLEMENTAL COMPANY CONTRIBUTIONS

5.1 Supplemental Company Contributions. For each calendar quarter of the Plan Year (i.e., the quarters ending March 31, June 30, September 30 and December 31), the Company will credit to the Account of each Participant a Supplemental Company Contribution in an amount equal to (a) minus (b) minus (c)below:

(a) The Applicable Contribution Percentage multiplied by the Participant's Base Salary and Bonus for the Plan Year up through the applicable calendar quarter.

(b) The Applicable Contribution Percentage multiplied by such Participant's "eligible 401(k) compensation" for the Plan Year up through the applicable calendar quarter,

which, for purposes of this Article V, shall be defined as the Participant's Base Salary and Bonus less the Participant's Deferred Amount (each for the Plan Year up through the applicable calendar quarter) up to the IRS Limitations for the applicable Plan Year.

(c) The Supplemental Company Contribution, if any, previously credited to the Account of the Participant for the Plan Year.

Provided, however, that, notwithstanding anything in this Section 5.1 to the contrary, the Supplemental Company Contribution cannot exceed the Participant's Deferred Amount for the applicable Plan Year; provided further that the Supplemental Company Contribution will only be credited to the Account of a Participant for any calendar quarter of the Plan Year if as of the last day of the applicable calendar quarter of the Plan: (i) such Participant has made the maximum deferral of compensation as permitted under Sections 402(g) and 414(v) of the Code to the Qualified Plan (or, if less, the maximum deferral of compensation as permitted under the terms of the Qualified Plan); (ii) the Company has made the maximum matching contribution to the Qualified Plan as permitted under Section 401(m) of the Code and the Qualified Plan and (iii) such Participant is an Eligible Employee.

ARTICLE VI
PAYMENT OF BENEFITS

6.1 Payment Events. Unless otherwise distributed in accordance with the terms of a Scheduled In-Service Withdrawal, a Participant's Account shall become payable at the time and in the form described in this Article upon the earlier to occur of the following events: (i) a Participant's Separation from Service, (ii) a Participant's Disability, (iii) a Change of Control Payment Event or (iv) the Participant's death.

6.2 Method of Payment Upon Separation from Service. A Participant must specify on the deferral election form for each Plan Year the method of payment of the portion of the Participant's Account attributable to such Plan Year. A Participant may designate payment in the form of a single lump sum payment or quarterly installment payments payable over a period of one or more years as made available to the Participant on the deferral election form provided for such purpose. Installment payments shall be paid quarterly, with the first installment paid within 90 days following the Participant's Separation from Service, unless the Participant is a Specified Employee, or in the case of Disability, within 90 days of the date the Participant is Disabled and each subsequent installment paid on a quarterly basis until all installment payments have been paid. If the Participant (i) fails to make an effective designation as to the method of payment or (ii) elects to receive payment in the form of a lump sum, payment shall be automatically made in the form of a single lump-sum payment within 90 days following the Participant's Separation from Service, unless the Participant is a Specified Employee, or in the case of Disability, within 90 days of the date the Participant was Disabled. In the event the Participant is a Specified Employee, payment shall be postponed for a period of six months following Separation from Service and shall commence within 90 days of the first business day of the seventh month following Separation from Service.

6.3 Method of Payment Upon a Change of Control Payment Event. Plan Account balances will be paid within 90 days of the occurrence of a Change of Control Payment Event.

A Participant may designate payment in the form of a single lump-sum payment or quarterly installment payments payable over a period of one or more years as made available to the Participant on the deferral election form provided for such purpose, such designation to be made on the election form that is submitted for such Plan Year in accordance with Section 4.2. If the Participant fails to make an effective designation as to the method of payment, payment will be made in the form of a lump sum.

6.4 Method of Payment Upon Death. If a Participant dies with a balance credited to the Participant's Account, such balance shall be paid to the Participant's Beneficiary. If the Participant dies prior to the time of payment of the Account, the then current balance of each of the Participant's Account or subaccount shall be paid to the Participant's Beneficiary in a lump sum commencing within 90 days of the date of the Participant's death. If payment of Participant's Account has commenced as of the date of the Participant's death, the then current balance of each Account or subaccount payable to a Beneficiary shall be paid under the method designated for the payment of such amount by the Participant commencing within 90 days of the date of the Participant's death. Each Beneficiary of a deceased Participant who is eligible to receive payments under this Section shall have the amounts to be paid to such Beneficiary allocated to a subaccount in the name of the Beneficiary under the deceased Participant's Account. Such subaccount shall be adjusted from time to time as provided in ARTICLE VII.

6.5 Payment Upon Scheduled In-Service Withdrawal. A Participant may schedule distribution of the Deferred Amounts and any Credited Earning attributable thereto attributable to a particular Plan Year ("Scheduled In-Service Withdrawal") at least two years after the Plan Year in which deferrals were made. Participants must request a Scheduled In-Service Withdrawal, and a method of payment described in subsection (a) below, on the election form that is submitted in conjunction with the deferral election for such Plan Year. Except as provided in Section 6.10 below, if a Participant fails to elect a Scheduled In-Service Withdrawal for that Plan Year, a Participant will not be eligible to obtain a Scheduled In-Service Withdrawal for such Plan Year.

(a) The Participant may elect either a lump-sum payment or quarterly installment payments payable over a period of one or more years as made available to the Participant on the deferral election form provided for such purpose. Payment will be made (or commence in the case of installments) within 30 days of the first business day of January in the year elected.

(b) A Participant may postpone payment of a Scheduled In-Service Withdrawal to a date at least five years later than the previously Scheduled In-Service Withdrawal date by filing a written request with the Committee at least 12 months prior to the date the Scheduled In-Service Withdrawal is scheduled to begin. Any request to postpone payment of a Scheduled In-Service Withdrawal will be irrevocable, except as may be permitted by the Code or applicable guidance promulgated thereunder.

(c) In the event of death, Disability, the occurrence of a Change of Control Payment Event or Separation from Service, payment of the Participant's Account shall be determined without regard to the otherwise Scheduled In-Service Withdrawal that shall be deemed to be cancelled.

6.6 Payment to Specified Employees Upon Separation from Service. In no event shall a Specified Employee receive a payment under this Plan following a Separation from Service prior to the first business day of the seventh month following the date of Separation from Service.

6.7 Changes in Method of Payment. The method of payment may be changed from time to time by the Participant, but in no event later than the date that is 12 months prior to the date payment would have otherwise commenced. Any requests to change the method of payment will not take effect for 12 months following the date it is received by the Committee and the first payment with respect to such election will be deferred for a period of at least five years from the date such payment would otherwise have commenced. Any request to change the method of payment will be irrevocable, except as may be permitted by the Code or applicable guidance promulgated thereunder.

6.8 Beneficiary Designations. A Participant shall designate on a beneficiary designation form a Beneficiary who, upon the Participant's death, will receive payments that otherwise would have been paid to him under the Plan. All Beneficiary designations shall be in writing. Any such designation shall be effective only if and when delivered to the Committee during the lifetime of the Participant. A Participant may change a Beneficiary or Beneficiaries by filing a new beneficiary designation form. The latest beneficiary designation form shall apply to the combined Accounts and subaccounts of the Participant. If a Beneficiary of a Participant predeceases the Participant, the designation of such Beneficiary shall be void. If a Beneficiary to whom benefits under the Plan remain unpaid dies after the Participant and the Participant failed to specify a contingent Beneficiary on the appropriate beneficiary designation form, the remainder of such death benefit payments shall be paid to such Beneficiary's estate. If a Participant fails to designate a Beneficiary with respect to any death benefit payments or if such designation is ineffective, in whole or in part, any payment that otherwise would have been paid to such Participant shall be paid to the Participant's estate.

6.9 Small Account Balances. If, upon Separation from Service, the value of the Participant's Account is less than $10,000, the balance of such Account shall be paid in a single lump sum.

6.10 Transition Exceptions. Under the transition guidance issued by the Internal Revenue Service under Section 409A of the Code, an exception to the general timing rules shall apply to 2005, 2006, 2007 and 2008 Plan Year Account balances. Participants' elections for the 2005, 2006, 2007 and 2008 Plan Years may be revised with respect to the timing and method of payment; provided that such revised election (i) if made in the 2007 Plan Year, does not cause amounts that were otherwise payable in 2007 to be paid in a subsequent year, and does not provide for amounts payable in a subsequent year to be paid in 2007, and (ii) if made in the 2008 Plan Year, does not cause amounts that were otherwise payable in 2008 to be paid in a subsequent year, and does not provide for amounts payable in a subsequent year to be paid in 2008. The Committee will administer this provision to ensure compliance with IRS Notice 2006-79.

ARTICLE VII
ACCOUNTS AND INVESTMENT

7.1 Participant Accounts. The Committee shall maintain, or cause to be maintained, a bookkeeping Account for each Participant for the purpose of accounting for the Participant's interest under the Plan. The Committee shall maintain within each Participant's Account such subaccounts as may be necessary to identify each separate Deferred Amount, Supplemental Company Contribution and Credited Earnings attributable thereto, by reference to the Plan Year to which each Deferred Amount and Supplemental Company Contribution relates. The combination of the subaccounts maintained in the name of a Participant shall comprise the Participant's Account.

7.2 Adjustment of Accounts. Each Participant's Account shall be adjusted to reflect all Deferred Amounts and Supplemental Company Contributions credited to the Participant's Account, all positive or negative Credited Earnings credited or debited to the Participant's Account as provided by Section 7.3, and all benefit payments charged to the Participant's Account. A Participant's Deferred Amount shall be credited to such Participant's Account as of the date on which the amount being deferred would have become payable to the Participant absent the election to defer, or on such other date as the Committee specifies, and shall be credited to the applicable subaccount within such Account by reference to the applicable Plan Year. Supplemental Company Contributions shall be credited to a Participant's Account on such date or dates as the Committee specifies and shall be credited to the applicable subaccount within such Account by reference to the applicable Plan Year; provided, however, that under no circumstances shall Supplemental Company Contributions be credited to the Account of a Participant before such Participant has made the maximum deferral of compensation as permitted under Sections 402(g) and 414(v) of the Code to the Qualified Plan (or, if less, the maximum deferral of compensation as permitted under the terms of the Qualified Plan), the Company has made the maximum matching contribution to the Qualified Plan as permitted under Section 401(m) of the Code and the Qualified Plan, and the Participant has otherwise satisfied the requirements set forth in Section 5.1 to receive a Supplemental Company Contribution. Supplemental Company Contributions shall be subject to the vesting requirements described in Section 7.4.

7.3 Investment of Account. The Committee will offer Participants a selection of benchmark funds as deemed investment alternatives. The benchmark funds offered will be determined in the sole discretion of the Committee. Each Participant may select among the different benchmark funds offered. The deemed investments in benchmark funds are only for the purpose of determining the Company's payment obligation under the Plan. Credited Earnings shall be allocated to a Participant's Account pursuant to the performance of the benchmark funds selected by the Participant. A Participant may, as frequently as daily, modify his election of benchmark funds through a procedure designated by the Committee. Such modification will be in accordance with rules and procedures adopted by the Committee.

7.4 Vesting. Subject to the conditions and limitations on payment of benefits under the Plan, a Participant shall always have a fully vested and non-forfeitable beneficial interest in the balance standing to the credit of the Participant's Account attributable to Deferred Amounts and Credited Earnings attributable to the Deferred Amounts. A Participant shall become vested

in Supplemental Company Contributions and Credited Earnings thereon as such Participant would be vested pursuant to the terms of the Qualified Plan.

7.5 Account Statements. The Committee shall provide each Participant with a statement of the status of the Participant's Account under the Plan. The Committee shall provide such statement annually or at such other times as the Committee may determine. Account statements shall be in the format prescribed by the Committee.

ARTICLE VIII
ADMINISTRATION

8.1 Administration. The Plan shall be administered, construed and interpreted by the Committee. The Committee shall have the sole authority and discretion to determine eligibility and to construe the terms of the Plan. The determinations by the Committee as to any disputed questions arising under the Plan, including the Eligible Employees who are eligible to be Participants in the Plan and the amounts of their benefits under the Plan, and the construction and interpretation by the Committee of any provision of the Plan, shall be final, conclusive and binding upon all persons including Participants, their beneficiaries, the Company, its stockholders and employees and the Employers. The Committee may, in its sole discretion, delegate its authority hereunder, including, but not limited to, delegating authority to modify, amend, administer, interpret, construe or vary the Plan, to the extent permitted by applicable law or administrative or regulatory rule, and, to the extent the Committee delegates its authority, applicable references herein to the Committee also shall mean the Committee's delegate.

8.2 Indemnification and Exculpation. The members of the Committee and its agents shall be indemnified and held harmless by the Company against and from any and all loss, cost, liability or expense that may be imposed upon or reasonably incurred by them in connection with or resulting from any claim, action, suit or proceeding to which they may be a party or in which they may be involved by reason of any action taken or failure to act under this Plan and against and from any and all amounts paid by them in settlement (with the Company's written approval) or paid by them in satisfaction of a judgment in any such action, suit or proceeding. The foregoing provisions shall not be applicable to any person if the loss, cost, liability or expense is due to such person's gross negligence or willful misconduct.

8.3 Rules of Conduct. The Committee shall adopt such rules for the conduct of its business and the administration of this Plan as it considers desirable, provided they do not conflict with the provisions of this Plan.

8.4 Legal, Accounting, Clerical and Other Services. The Committee may authorize one or more of its members or any agent to act on its behalf and may contract for legal, accounting, clerical and other services to carry out this Plan. The Company shall pay all expenses of the Committee.

8.5 Records of Administration. The Committee shall keep records reflecting the administration of this Plan that shall be subject to audit by the Company.

8.6 Expenses. The expenses of administering the Plan shall be borne by the Company.

8.7 Liability. No member of the Board or of the Committee shall be liable for any act or action, whether of commission or omission, taken by any other member, or by any officer, agent, or employee of the Company or of any such body, nor, except in circumstances involving his bad faith, for anything done or omitted to be done by himself.

8.8 Claims Review Procedures. The following claim procedures shall apply until such time that a Change of Control Payment Event has occurred. During the 24-month period following a Change of Control Payment Event, these procedures shall apply only to the extent the claimant requests their application. After the expiration of the 24-month period following a Change of Control Payment Event, these procedures shall again apply until the occurrence of a subsequent Change of Control Payment Event.

(a) Denial of Claim. If a claim for benefits is wholly or partially denied, the claimant shall be given notice in writing of the denial within a reasonable time after the receipt of the claim, but not later than 90 days after the receipt of the claim. However, if special circumstances require an extension, written notice of the extension shall be furnished to the claimant before the termination of the 90-day period. In no event shall the extension exceed a period of 90 days after the expiration of the initial 90-day period. The notice of the denial shall contain the following information written in a manner that may be understood by a claimant:

(i) The specific reasons for the denial;

(ii) Specific reference to pertinent Plan provisions on which the denial is based;

(iii) A description of any additional material or information necessary for the claimant to perfect his claim and an explanation of why such material or information is necessary;

(iv) An explanation that a full and fair review by the Committee of the denial may be requested by the claimant or his authorized representative by filing a written request for a review with the Committee within 60 days after the notice of the denial is received; and

(v) If a request for review is filed, the claimant or his authorized representative may review pertinent documents and submit issues and comments in writing within the 60-day period described in Section 8.8(a)(iv).

(b) Decisions After Review. The decision of the Committee with respect to the review of the denial shall be made promptly and in writing, but not later than 60 days after the Committee receives the request for the review. However, if special circumstances require an extension of time, a decision shall be rendered not later than 120 days after the receipt of the request for review. A written notice of the extension shall be furnished to the claimant prior to the expiration of the initial 60-day period. The claimant shall be given a copy of the decision, which shall state, in a manner calculated to be understood by the claimant, the specific reasons for the decision and specific references to the pertinent Plan provisions on which the decision is based.

(c) 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 ERISA.

(d) Exhaustion of Claims Procedures. A claim or action (1) to recover benefits allegedly due under the Plan or by reason of any law, (2) to enforce rights under the Plan, (3) to clarify rights to future benefits under the Plan, or (4) that relates to the Plan and seeks a remedy, ruling or judgment of any kind against the Plan or a plan administrator or a party in interest (collectively, a "Judicial Claim"), may not be commenced in any court or forum until after the claimant has exhausted the Plan's claims and appeals procedures (an "Administrative Claim"). A claimant must raise all arguments and produce all evidence that the claimant believes supports the claim or action in the Administrative Claim and shall be deemed to have waived every argument and the right to produce any evidence not submitted to the Committee as part of the Administrative Claim. Any Judicial Claim must be commenced in the appropriate court or forum no later than 24 months from the earliest of (A) the date the first benefit payment was made or allegedly due, (B) the date the Committee or its delegate first denied the claimant's request, or (C) the first date the claimant knew or should have known the principal facts on which such claim or action is based; provided, however, that, if the claimant commences an Administrative Claim before the expiration of such 24-month period, the period for commencing a Judicial Claim shall expire on the later of the end of the 24-month period and the date that is three months after the final denial of the claimant's Administrative Claim, such that the claimant has exhausted the Plan's claims and appeals procedures. Any claim or action that is commenced, filed or raised, whether a Judicial Claim or an Administrative Claim, after expiration of such 24-month limitations period (or, if applicable, expiration of the three-month limitations period following exhaustion of the Plan's claims and appeals procedures) shall be time-barred. Filing or commencing a Judicial Claim before the claimant exhausts the Administrative Claim requirements shall not toll the 24-month limitations period (or, if applicable, the three-month limitations period).

(e) Venue. The courts of competent jurisdiction in Oklahoma City, Oklahoma shall have exclusive jurisdiction for all claims, actions and other proceedings involving or relating to the Plan, a plan administrator or a party in interest, including, by way of example and not limitation, a claim or action (1) to recover benefits allegedly due under the Plan or by reason of any law, (2) to enforce rights under the Plan, (3) to clarify rights to future benefits under the Plan, or (4) that relates to the Plan and seeks a remedy, ruling or judgment of any kind against the Plan or a plan administrator or a party in interest.

8.9 Finality of Determinations; Exhaustion of Remedies. To the extent permitted by law, decisions reached under the claims procedures set forth in Section 8.8 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 Section 8.8. In any such legal action, the claimant may only present evidence and theories that the claimant presented during the claims procedure. Any claims that 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 arbitrary, capricious or an abuse of discretion based on the evidence and theories the claimant presented

during the claims procedure. This Section shall have no application during the 24-month period following a Change of Control Payment Event as to a claim that is first asserted or first denied after the Change of Control Payment Event and, as to such a claim, the de novo standard of judicial review shall apply. After the expiration of the 24-month period following a Change of Control Payment Event, this Section shall again apply until the occurrence of a subsequent Change of Control Payment Event.

8.10 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. Except as stated in Section 8.9, 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 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 and all Plan fiduciaries 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 may not be invoked by any person to require the Plan to be interpreted in a manner that 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. This Section shall not apply to Committee actions or interpretations that take place or are made during the 24-month period following a Change of Control Payment Event. After the expiration of the 24-month period following a Change of Control Payment Event, this Section shall again apply until the occurrence of a subsequent Change of Control Payment Event.

ARTICLE IX
GENERAL PROVISIONS

9.1 Effect on Other Plans. Deferred Amounts shall not be considered as part of a Participant's compensation for the purpose of any qualified employee pension plans maintained by the Company or its Affiliates in the Plan Year in which any deferral occurs under this Plan, and such amounts will not be considered under the Company's Qualified Plan in the Plan Year in which payment occurs, but may be considered as covered compensation under the Company's qualified defined benefit pension plan titled "Retirement Plan for Employees of Devon Energy Corporation" if permitted under the terms of such plan. However, such amounts may be taken into account under all other employee benefit plans maintained by the Company or its Affiliates in the year in which such amounts would have been payable absent the deferral election; provided, such amounts shall not be taken into account if their inclusion would jeopardize the tax-qualified status of the plan to which they relate.

9.2 Conditions of Employment Not Affected by Plan. The establishment and maintenance of the Plan shall not be construed as conferring any legal rights upon any Participant to the continuation of employment with the Employer, nor shall the Plan interfere with the rights of the Employer to discharge any Participant with or without cause.

9.3 Restrictions on Alienation 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 shall be void. No right or benefit hereunder shall in any manner be liable for or subject to the debts, contracts, liabilities, or torts of the person entitled to such benefit. If any Participant or the Participant's Beneficiary under this Plan should become bankrupt or attempt to anticipate, alienate, sell, assign, pledge, encumber, or charge any right to a benefit hereunder, then, such right or benefit shall cease and terminate. Notwithstanding the foregoing, in the event that all or any portion of the benefit of a Participant was transferred to the former spouse of the Participant incident to a divorce prior to January 1, 2013, the Committee shall maintain such amount for the benefit of the former spouse until distributed in the manner required by an order of any court having jurisdiction over the divorce, and the former spouse shall be entitled to the same rights as the Participant with respect to such benefit.

9.4 Domestic Relations Orders. Domestic relations orders purporting to assign a Participant's benefits under the Plan constitute an impermissible alienation of benefits pursuant to Section 9.3 and shall not be honored by the Committee.

9.5 Information Required of Participants. Payment of benefits shall begin as of the payment date(s) provided in this Plan and no formal claim shall be required therefor; provided, in the interest of orderly administration of the Plan, the Committee may make reasonable requests of Participants and Beneficiaries to furnish information that is reasonably necessary and appropriate to the orderly administration of the Plan, and, to that limited extent, payments under the Plan are conditioned upon the Participants and Beneficiaries promptly furnishing true, full and complete information as the Committee may reasonably request.

9.6 Tax Consequences Not Guaranteed. The Company does not warrant that this Plan will have any particular tax consequences for Participants or Beneficiaries and shall not be liable to them if tax consequences they anticipate do not actually occur. The Company shall have no obligation to indemnify a Participant or Beneficiary for lost tax benefits (or other damage or loss).

9.7 Benefits Payable to Incompetents. Any benefits payable hereunder to a minor or person under legal Disability may be made, at the discretion of the Committee, (i) directly to the said person, or (ii) to a parent, spouse, relative by blood or marriage, or the legal representative of said person. The Committee shall not be required to see to the application of any such payment, and the payee's receipt shall be a full and final discharge of the Committee's responsibility hereunder.

9.8 Severability. If any provision of the Plan is held invalid or illegal for any reason, any illegality or invalidity shall not affect the remaining provisions of the Plan, and the Plan shall be construed and enforced as if the illegal or invalid provision had never been contained therein. The Company shall have the privilege and opportunity to correct and remedy such questions of illegality or invalidity by amendment.

9.9 Compliance with Section 409A. Notwithstanding anything in the Plan to the contrary, the terms of the Plan and all distributions made hereunder are intended to, and shall be interpreted and applied so as to, comply in all respects with the provisions of Section 409A of the Code and rulings promulgated thereunder and, if necessary, any provision shall be held null and void to the extent such provision (or part thereof) fails to comply with Section 409A of the Code and rulings promulgated thereunder. The Committee shall interpret the Plan consistent with the requirements of Section 409A of the Code, which shall govern the administration of the Plan in the event of any conflict between Plan terms and the applicable requirements of Section 409A of the Code and rulings promulgated thereunder. In any circumstance when a payment may be made in either of two calendar years, in no event may a Participant, directly or indirectly, designate the calendar year of such payment.

9.10 Tax Withholding. The Employer may withhold from a payment or accrued benefit or from the Participant's other compensation any federal, state, or local taxes required by law to be withheld with respect to such payment or accrued benefit and such sums as the Employer may reasonably estimate as necessary to cover any taxes for which the Employer may be liable and which may be assessed with regard to such payment.

ARTICLE X
AMENDMENT AND TERMINATION

10.1 Amendment and/or Termination. The Committee may amend or modify the Plan at any time and in any manner; provided, however, that (i) no amendment shall reduce any portion of a Participant's Account that is vested and (ii) no amendment shall be effective to the extent it results in a violation of Section 409A of the Code. The Committee may terminate the Plan within the parameters and limitations imposed by Section 409A of the Code.

ARTICLE XI
MISCELLANEOUS PROVISIONS

11.1 Articles and Section Titles and Headings. The titles and headings at the beginning of each Article and Section shall not be considered in construing the meaning of any provisions in this Plan.

11.2 Joint Obligations. For purposes of this Plan, the Company and Devon Energy Production Company, L.P., an Oklahoma limited partnership, shall have joint and several liability for all obligations hereunder.

11.3 Governing Law. This Plan is subject to ERISA, but is exempt from most parts of ERISA since it is an unfunded deferred compensation plan maintained for a select group of management or highly compensated employees. In no event shall any references to ERISA in the Plan be construed to mean that the Plan is subject to any particular provisions of ERISA. The Plan shall be governed and construed in accordance with federal law and the laws of the State of Oklahoma, except to the extent such laws are preempted by ERISA.

IN WITNESS WHEREOF, on this 9th day of December, 2021, the Company has caused this instrument to be executed by its duly authorized officers in a number of copies, each of which shall be deemed an original but all of which shall constitute one and the same instrument.

DEVON ENERGY CORPORATION, a Delaware corporation

By:	/s/Tana K. Cashion
Name:	Tana K. Cashion
Title:	Senior Vice President Human Resources and Administration

APPENDIX A
PROVISIONS APPLICABLE TO FORMER WPX ENERGY, INC. EMPLOYEES FOR THE 2021 PLAN YEAR

1.1 Limited Application. The special conditions described in this Appendix A shall apply to former employees of WPX Energy, Inc. ("WPX Employees") for the 2021 Plan Year. All other generally applicable provisions of the Plan shall apply to WPX Employees for the 2021 Plan Year and the special conditions of this Appendix A shall cease to apply for periods after the 2021 Plan Year.

1.2 Additional Eligibility Criteria. For the 2021 Plan Year, WPX Employees shall be eligible to participate in the Plan for the purpose of receiving Supplemental Company Contributions as described in ARTICLE V (as modified by this Appendix A) if they (i) are otherwise Eligible Employees; and (ii) exceeded the compensation limitation imposed by Section 401(a)(17) of the Code, taking into account amounts paid by WPX Energy, Inc. that would have counted for purposes of this eligibility determination if they had been paid by the Employer.

1.3 Definition of Qualified Plan; Inclusion of WPX 401(k) Plan Participation and Contributions. For purposes of the 2021 Plan Year, the term "Qualified Plan" shall include the WPX Energy Savings Plan ("WPX Plan") for all Plan purposes. Without limiting the foregoing, (i) contributions to the WPX Plan shall be included for purposes of determining Supplemental Company Contributions pursuant to Section 5.1 of the Plan, (ii) a WPX Employee shall only be eligible to receive Supplemental Company Contributions under this Plan for the 2021 Plan Year (or other applicable determination period) if and to the extent that the WPX Employee satisfies the eligibility requirements (including, without limitation, the requirement to be employed by the Employer as of a specified date or dates) to receive a Company contribution or matching contribution (as applicable) under the Qualified Plan as amended to provide for the merger of the WPX Plan into the Qualified Plan, and (iii) Supplemental Company Contributions to WPX Employees will be subject to the requirements and conditions, including vesting schedules set forth in the Qualified Plan as amended to provide for the merger of the WPX Plan with and into the Qualified Plan.

DEVON ENERGY CORPORATION

DEFINED CONTRIBUTION RESTORATION PLAN

JANUARY 1, 2021

DEVON ENERGY CORPORATION

DEFINED CONTRIBUTION RESTORATION PLAN

ARTICLE I
ESTABLISHMENT AND PURPOSE

1.1 Establishment. Devon Energy Corporation, a Delaware corporation ("the Company"), established an unfunded, nonqualified deferred compensation plan known as the Devon Energy Corporation Defined Contribution Restoration Plan (the "Plan") effective December 1, 2007. The Company amended and restated the Plan on November 11, 2008, with such amendment and restatement effective December 1, 2007. The Company further amended the Plan effective January 1, 2009, and again amended and restated the Plan effective January 1, 2021. The Company hereby amends and restates the Plan effective January 1, 2021 to incorporate prior amendments, to provide benefits to former employees of WPX Energy, Inc. for the 2021 Plan Year as described in Appendix A attached hereto, and make certain other clarifying changes.

1.2 Purpose. The Plan is intended to provide the amount of the benefit that could otherwise be earned under the Devon Energy Corporation Incentive Savings Plan (the "Qualified Plan") but that cannot be contributed due to the limitations imposed by Section 401(a)(17) of the Code, which limits the annual compensation that may be taken into account in computing benefits under plans qualified under Sections 401(a) and 501(a) of the Code.

1.3 ERISA Status. The Plan is intended to qualify for the exemptions provided under Title I of ERISA for plans that are not tax-qualified and that are maintained primarily to provide deferred compensation for a select group of management or highly compensated employees as defined in Section 201(2) of ERISA.

ARTICLE II
DEFINITIONS

2.1 Definitions. For purposes of this Plan, the following definitions shall apply.

(a) "Account" means the recordkeeping accounts maintained by the Company to record the payment obligation of the Company to a Participant as determined under the terms of this Plan. The Company may maintain an Account to record the total obligation to the Participant under this Plan and component accounts to reflect amounts payable at different times and in different forms. Reference to an Account means any such Account established by the Company as the context requires.

(b) "Affiliate" means a corporation, trade or business that, together with the Company, is treated as a single employer under Code Section 414(b) or (c).

(c) "Beneficiary" means the person, persons, trust, or other entity designated by a Participant on the beneficiary designation form adopted by the Company to receive benefits, if any, under this Plan at such Participant's death pursuant to Section 5.2.

(d) "Board" means the Board of Directors of the Company.

(e) "Change of Control Payment Event" means the occurrence of any one of the following events:

(i) the Incumbent Directors cease for any reason to constitute at least a majority of the Board (for these purposes, the term "Incumbent Directors" means the members of the Board on December 1, 2007; provided, however, that (a) any person becoming a director and whose election or nomination for election was approved by a vote of at least a majority of the Incumbent Directors then on the Board (either by a specific vote or by approval of the proxy statement of the Company in which such person is named as a nominee for director, without written objection to such nomination) shall be deemed an Incumbent Director, and (b) no individual initially elected or nominated as a director of the Company as a result of an actual or threatened election contest ("Election Contest"), pursuant to any proxy access procedures for stockholders included in the Company's organizational documents, or other actual or threatened solicitation of proxies or consents by or on behalf of any "person" (as such term is defined in Section 3(a)(9) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and as used in Sections 13(d)(3) and 14(d)(2) of the Exchange Act) ("Proxy Contest"), including by reason of any agreement intended to avoid or settle any Election Contest or Proxy Contest, shall be deemed an Incumbent Director; provided further, however, that when two or more persons act as a partnership, limited partnership, syndicate, or other group for the purpose of acquiring, holding, or disposing of Company securities, such partnership, syndicate or group shall be deemed a "person" for purposes of this definition);

(ii) any person is or becomes a "beneficial owner" (as such meaning is set forth in Rule 13d-3 under the Exchange Act), directly or indirectly, of Company securities representing 30% or more of either (x) the Company's outstanding shares of common stock or (y) the combined voting power of the Company's then-outstanding securities eligible to vote in the election of directors (each, "Company Securities"); provided, however, that the event described in this subsection (ii) shall not be deemed to be a Change of Control Payment Event by virtue of any of the following acquisitions or transactions: (A) by the Company or any subsidiary, (B) by any employee benefit plan (or related trust) sponsored or maintained by the Company or any subsidiary, (C) by an underwriter temporarily holding securities pursuant to an offering of such securities, or (D) pursuant to a Non-Qualifying Transaction;

(iii) the consummation of a merger, consolidation, statutory share exchange, or similar form of corporate transaction involving the Company or any of its subsidiaries that requires the approval of the Company's stockholders, whether for such transaction or the issuance of securities in the transaction (a "Reorganization"), or the sale or other disposition of all or substantially all of the Company's assets to an entity that is not an Affiliate (a "Sale"), unless:

(1) immediately following the consummation of the Reorganization or Sale, the holders of the Company's shares of common stock hold or receive in such Reorganization or hold more than 50% of each of the outstanding common stock and the total voting power of securities eligible to vote in the election of directors of (x) the corporation resulting from such Reorganization or the corporation that has acquired all or substantially all of

the assets of the Company (in either case, "the Surviving Corporation"), or (y) if applicable, the ultimate parent corporation that directly or indirectly has beneficial ownership of 100% of the voting securities eligible to elect directors of the Surviving Corporation ("the Parent Corporation"),

(2) no person (other than any employee benefit plan (or related trust) sponsored or maintained by the Surviving Corporation or the Parent Corporation) is or becomes, as a result of the Reorganization or Sale, the beneficial owner, directly or indirectly, of 30% or more of the outstanding shares of common stock or the total voting power of the outstanding voting securities eligible to vote in the election of directors of the Parent Corporation (or, if there is no Parent Corporation, the Surviving Corporation), and

(3) at least a majority of the members of the board of directors of the Parent Corporation (or, if there is no Parent Corporation, the Surviving Corporation) following the consummation of the Reorganization or Sale were Incumbent Directors at the time of the Board's approval of the execution of the initial agreement providing for such Reorganization or Sale;

(any Reorganization or Sale that satisfies all of the criteria specified in (1), (2) and (3) above shall be deemed to be a "Non-Qualifying Transaction"); or

(iv) the Company's stockholders consummate a plan of complete liquidation or dissolution of the Company.

Notwithstanding the foregoing, a Change of Control Payment Event shall not be deemed to occur solely because any person acquires beneficial ownership of more than 30% of Company Securities due to the Company's acquisition of Company Securities that reduces the number of Company Securities outstanding; provided, however, if, following such acquisition by the Company, such person becomes the beneficial owner of additional Company Securities that increases the percentage of outstanding Company Securities beneficially owned by such person, a Change of Control Payment Event shall then occur. In addition, if a Change of Control Payment Event occurs pursuant to paragraph 2.1(e)(ii) above, no additional Change of Control Payment Event shall be deemed to occur pursuant to paragraph 2.1(e)(ii) by reason of subsequent changes in holdings by such person (except if the holdings by such person are reduced below 30% and thereafter increase to 30% or above).

Solely with respect to that portion of a Participant's Account that is subject to Section 409A of the Code, the foregoing definition of Change of Control Payment Event shall be interpreted, administered, limited and construed in a manner necessary to ensure that the occurrence of any such event shall result in a Change of Control Payment Event only if such event qualifies as a change in the ownership or effective control of a corporation, or a change in the ownership of a substantial portion of the assets of a corporation, as applicable, within the meaning of Treasury Regulation Section 1.409A-3(i)(5).

(f) "Code" means the Internal Revenue Code of 1986, as amended from time to time, and any Regulations relating thereto.

(g) "Committee" means the Compensation Committee appointed by the Board or a committee established by the Compensation Committee that has been delegated duties related to the Plan.

(h) "Company Contribution" means the contribution made by the Company for the benefit of the Participant under Article IV of the Plan in any Plan Year

(i) "Credited Earnings" means the gains or losses applied to a Participant's Account pursuant to Section 6.2.

(j) "Disabled" or "Disability" means a Participant is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or last for a continuous period of not less than 12 months. The Committee shall determine whether a Participant is Disabled in accordance with Section 409A of the Code.

(k) "ERISA" means the Employee Retirement Income Security Act of 1974, as amended.

(l) "Eligible Employee" means an employee who is a participant in the Qualified Plan who is designated by the Committee as belonging to a "select group of management or highly compensated employees" as such phrase is defined under ERISA whose Company contribution to the Qualified Plan is limited due to the IRS limitations.

(m) "Employer" shall mean the Company and/or any Affiliate that employs the Participants.

(n) "Participant" means an Eligible Employee who has Company Contributions credited to an Account under this Plan.

(o) "Plan" means this Devon Energy Corporation Defined Contribution Restoration Plan.

(p) "Plan-Approved Domestic Relations Order" means a qualified domestic relations order as defined in Section 414(p)(1)(B) of the Code that meets the requirements established by the Committee.

(q) "Plan Year" means the 12-month period beginning on January 1 and ending on December 31.

(r) "Qualified Plan" means the Devon Energy Corporation Incentive Savings Plan.

(s) "Separation from Service." A Participant incurs a Separation from Service upon termination of employment with the Employer. Whether a Separation from Service has occurred shall be determined by the Committee in accordance with Section 409A of the Code.

Except in the case of a Participant on a bona fide leave of absence as provided below, a Participant is deemed to have incurred a Separation from Service if the Employer and the Participant reasonably anticipated that the level of services to be performed by the Participant after a certain date would be reduced to 20% or less of the average services rendered by the Participant during the immediately preceding 36-month period (or the total period of employment, if less than 36 months), disregarding periods during which the Participant was on a bona fide leave of absence.

A Participant who is absent from work due to military leave, sick leave, or other bona fide leave of absence shall incur a Separation from Service on the first date immediately following the later of (i) the six-month anniversary of the commencement of the leave or (ii) the expiration of the Participant's right, if any, to reemployment under statute or contract.

For purposes of determining whether a Separation from Service has occurred, the Employer means the Employer as defined in Section 2.1(m), except that for purposes of determining whether another organization is an Affiliate of the Company, common ownership of at least 50% shall be determinative.

(t) "Specified Employee" means those employees of the Employer who are determined by the Committee to be a "specified employee" in accordance with Section 409A of the Code and the regulations promulgated thereunder and the Devon Energy Corporation Specified Employee Policy.

2.2 Construction. Except when otherwise indicated by the context, any masculine terminology when used in the Plan shall also include the feminine gender, and the definition of any term in the singular shall also include the plural.

2.3 Funding. The benefits described in this Plan are contractual obligations of the Employers to pay compensation for services, and shall constitute a liability to the Participants and/or their Beneficiaries in accordance with the terms hereof. All amounts paid under this Plan shall be paid in cash from the general assets of the Employers and shall be subject to the general creditors of the Company and the Employer of the Participant. Benefits shall be reflected on the accounting records of the Employers but shall not be construed to create, or require the creation of, a trust or custodial or escrow account. No special or separate fund need be established and no segregation of assets need be made to ensure the payment of such benefits. No Participant shall have any right, title or interest whatsoever in or to any investment reserves, accounts, funds or assets that the Employer may purchase, establish or accumulate to aid in providing the benefits described in this Plan. Nothing contained in this Plan, and no action taken pursuant to its provisions, shall create or be construed to create a trust or a fiduciary relationship of any kind between an Employer or the Company and a Participant or any other person, provided, the Company may establish and/or continue a grantor trust as defined in Section 671 of the Code to provide a source of funding for amounts deferred hereunder. Neither a Participant nor the Beneficiary of a Participant shall acquire any interest hereunder greater than that of an unsecured creditor of the Company or any Affiliate who is the Employer of such Participant.

ARTICLE III
ELIGIBILITY AND PARTICIPATION

3.1 Eligibility and Participation. All determinations as to an employee's status as an Eligible Employee shall be made by the Committee. The determinations of the Committee shall be final and binding on all employees. Eligible Employees who have received Company Contributions under this Plan shall continue as a Participant as long as there is a balance credited to his or her Account.

ARTICLE IV
COMPANY CONTRIBUTIONS

4.1 Company Contributions. The Company Contributions for a Plan Year (or other applicable determination period) will be equal to the amount of Company contributions that would have otherwise been allocated to the Participant under the Qualified Plan, but for (i) the application of Section 401(a)(17) of the Code and (ii) the reduction in the Participant's eligible compensation under the Qualified Plan to reflect deferrals in a non-qualified deferred compensation plan sponsored by the Company. Further, a Participant shall only be eligible to receive Company Contributions under this Plan for a Plan Year (or other applicable determination period) if and to the extent that the Participant satisfies the eligibility requirements (including, without limitation, the requirement to be employed by the Company as of a specified date or dates) to receive a Company contribution under the Qualified Plan for such period.

ARTICLE V
PAYMENT OF BENEFITS

5.1 Payment Events. A Participant's Account shall become payable at the time and in the form described in this Article upon the earliest to occur of the following events: (i) the Participant's Separation from Service, (ii) the Participant's Disability, (iii) a Change of Control Payment Event, or (iv) the Participant's death.

5.2 Time and Method of Payment. Plan Account balances will be paid in the form of a single lump-sum payment within 90 days of the Participant's death or Disability or the occurrence of a Change of Control Payment Event. Plan Account balances will also be paid in the form of a single lump sum payment within 90 days of the date of a Participant's Separation from Service unless the Participant is a Specified Employee. In the event the Participant is a Specified Employee, payment shall be made in the form of a single lump-sum payment within 90 days of the first business day of the seventh month following Separation from Service. It is possible that a Participant may be entitled to a Company Contribution for the Plan Year in which the payment event occurs but such amount, if any, will not be determinable until the Plan Year immediately following the Plan Year in which the payment event occurred. Therefore, to the extent the Participant is entitled to a Company Contribution that is attributable to the Plan Year in which a payment event occurs, such amount shall be paid in a lump sum by December 31 of the Plan Year immediately following the Plan Year in which the payment event occurred.

5.3 Payment to Specified Employees upon Separation from Service. In no event shall a Specified Employee receive a payment under this Plan following a Separation from Service prior to the first business day of the seventh month following the date of Separation from Service.

5.4 Beneficiary Designations. A Participant shall designate on a beneficiary designation form a Beneficiary who, upon the Participant's death, will receive payments that otherwise would have been paid to him under the Plan. All Beneficiary designations shall be in writing. Any such designation shall be effective only if and when delivered to the Committee during the lifetime of the Participant. A Participant may change a Beneficiary or Beneficiaries by filing a new beneficiary designation form. The latest beneficiary designation form shall apply to the combined Accounts and subaccounts of the Participant. If a Beneficiary of a Participant predeceases the Participant, the designation of such Beneficiary shall be void. If a Beneficiary to whom benefits under the Plan remain unpaid dies after the Participant and the Participant failed to specify a contingent Beneficiary on the appropriate beneficiary designation form, the remainder of such death benefit payments shall be paid to such Beneficiary's estate. If a Participant fails to designate a Beneficiary with respect to any death benefit payments or if such designation is ineffective, in whole or in part, any payment that otherwise would have been paid to such Participant shall be paid to the Participant's estate.

ARTICLE VI
ACCOUNTS AND INVESTMENT

6.1 Participant Accounts. The Committee shall maintain, or cause to be maintained, a bookkeeping Account for each Participant for the purpose of accounting for the Participant's interest under the Plan.

6.2 Adjustment of Accounts. Each Participant's Account shall be adjusted to reflect all Company Contributions credited to the Participant's Account, all positive or negative Credited Earnings credited or debited to the Participant's Account as provided by Section 6.3, and all benefit payments charged to the Participant's Account. Company Contributions shall be credited to a Participant's Account and shall be subject to the vesting requirements described in Section 6.4, Credited Earnings and other earnings shall be credited to Participant Accounts pursuant to the performance of the investments held for the benefit of the Participant. Charges to a Participant's Account to reflect benefit payments shall be made as of the date of any such payment and charged to the applicable subaccount within such Account. As of any relevant date, the balance standing to the credit of a Participant's Account, and each separate subaccount comprising such Account, shall be the respective balance in such Account and the component subaccounts as of the close of business on such date after all applicable credits, debits and charges have been posted.

6.3 Investment of Account. The Committee will offer more than one benchmark fund as a deemed investment alternative. The benchmark funds offered will be determined in the sole discretion of the Committee. Each Participant may select among the different benchmark funds offered. The deemed investments in benchmark funds are only for the purpose of determining the Company's payment obligation under the Plan. A Participant who has a choice of more than one such benchmark fund may, as frequently as daily, modify his election of benchmark funds through a procedure designated by the Committee. Such modification will be in accordance with rules and procedures adopted by the Committee.

6.4 Vesting. A Participant shall become vested in Company Contributions and Credited Earnings thereon as such Participant would be vested pursuant to the terms of the Qualified Plan.

6.5 Account Statements. The Committee shall provide each Participant with a statement of the status of the Participant's Account under the Plan. The Committee shall provide such statement annually or at such other times as the Committee may determine. Annual statements shall be in the format prescribed by the Committee.

ARTICLE VII
ADMINISTRATION

7.1 Administration. The Plan shall be administered, construed and interpreted by the Committee. The Committee shall have the sole authority and discretion to determine eligibility and to construe the terms of the Plan. The determinations by the Committee as to any disputed questions arising under the Plan, including the Eligible Employees who are eligible to be Participants in the Plan and the amounts of their benefits under the Plan, and the construction and interpretation by the Committee of any provision of the Plan, shall be final, conclusive and binding upon all persons including the Participants, their Beneficiaries, the Company, its stockholders and employees and the Employers.

7.2 Indemnification and Exculpation. The members of the Committee and its agents shall be indemnified and held harmless by the Company against and from any and all loss, cost, liability or expense that may be imposed upon or reasonably incurred by them in connection with or resulting from any claim, action, suit or proceeding to which they may be a party or in which they may be involved by reason of any action taken or failure to act under this Plan and against and from any and all amounts paid by them in settlement (with the Company's written approval) or paid by them in satisfaction of a judgment in any such action, suit or proceeding. The foregoing provisions shall not be applicable to any person if the loss, cost, liability or expense is due to such person's gross negligence or willful misconduct.

7.3 Rules of Conduct. The Committee shall adopt such rules for the conduct of its business and the administration of this Plan as it considers desirable, provided they do not conflict with the provisions of this Plan.

7.4 Legal, Accounting, Clerical and Other Services. The Committee may authorize one or more if its members or any agent to act on its behalf and may contract for legal, accounting, clerical and other services to carry out this Plan. The Company shall pay all expenses of the Committee.

7.5 Records of Administration. The Committee shall keep records reflecting the administration of this Plan which shall be subject to audit by the Company.

7.6 Expenses. The expenses of administering the Plan shall be borne by the Company

7.7 Liability. No member of the Board or of the Committee shall be liable for any act or action, whether of commission or omission, taken by any other member, or by any officer, agent, or employee of the Company or of any such body, nor, except in circumstances involving his bad faith, for anything done or omitted to be done by himself.

7.8 Claims Review Procedures. The following claim procedures shall apply until such time as a Change of Control Payment Event has occurred. During the 24-month period following a Change of Control Payment Event, these procedures shall apply only to the extent the claimant requests their application. After the expiration of the 24-month period following a Change of Control Payment Event, these procedures shall again apply until the occurrence of a subsequent Change of Control Payment Event.

(a) Denial of Claim. If a claim for benefits is wholly or partially denied, the claimant shall be given notice in writing of the denial within a reasonable time after the receipt of the claim, but not later than 90 days after the receipt of the claim. However, if special circumstances require an extension, written notice of the extension shall be furnished to the claimant before the termination of the 90-day period. In no event shall the extension exceed a period of 90 days after the expiration of the initial 90-day period. The notice of the denial shall contain the following information written in a manner that may be understood by a claimant:

(i) The specific reasons for the denial;

(ii) Specific reference to pertinent Plan provisions on which the denial is based;

(iii) A description of any additional material or information necessary for the claimant to perfect his claim and an explanation of why such material or information is necessary;

(iv) An explanation that a full and fair review by the Committee of the denial may be requested by the claimant or his authorized representative by filing a written request for a review with the Committee within 60 days after the notice of the denial is received; and

(v) If a request for review is filed, the claimant or his authorized representative may review pertinent documents and submit issues and comments in writing within the 60-day period described in Section 7.8(a)(iv).

(b) Decisions After Review. The decision of the Committee with respect to the review of the denial shall be made promptly and in writing, but not later than 60 days after the Committee receives the request for the review. However, if special circumstances require an extension of time, a decision shall be rendered not later than 120 days after the receipt of the request for review. A written notice of the extension shall be furnished to the claimant prior to the expiration of the initial 60-day period. The claimant shall be given a copy of the decision, which shall state, in a manner calculated to be understood by the claimant, the specific reasons for the decision and specific references to the pertinent Plan provisions on which the decision is based.

(c) 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 ERISA.

(d) Exhaustion of Claims Procedures. A claim or action (1) to recover benefits allegedly due under the Plan or by reason of any law, (2) to enforce rights under the Plan; (3) to clarify rights to future benefits under the Plan, or (4) that relates to the Plan and seeks a remedy, ruling or judgment of any kind against the Plan or a plan administrator or a party in interest (collectively, a "Judicial Claim"), may not be commenced in any court or forum until after the claimant has exhausted the Plan's claims and appeals procedures (an "Administrative Claim"). A claimant must raise all arguments and produce all evidence the claimant believes supports the claim or action in the Administrative Claim and shall be deemed to have waived every argument and the right to produce any evidence not submitted to the Committee as part of the Administrative Claim. Any Judicial Claim must be commenced in the appropriate court or forum no later than 24 months from the earliest of (A) the date the first benefit payment was made or allegedly due, (B) the date the Committee or its delegate first denied the claimant's request, or (C) the first date the claimant knew or should have known the principal facts on which such claim or action is based; provided, however, that, if the claimant commences an Administrative Claim before the expiration of such 24-month period, the period for commencing a Judicial Claim shall expire on the later of the end of the 24-month period and the date that is three months after the final denial of the claimant's Administrative Claim, such that the claimant has exhausted the Plan's claims and appeals procedures. Any claim or action that is commenced, filed or raised, whether a Judicial Claim or an Administrative Claim, after expiration of such 24-month limitations period (or, if applicable, expiration of the three-month limitations period following exhaustion of the Plan's claims and appeals procedures) shall be time-barred. Filing or commencing a Judicial Claim before the claimant exhausts the Administrative Claim requirements shall not toll the 24-month limitations period (or, if applicable, the three-month limitations period).

(e) Venue. The courts of competent jurisdiction in Oklahoma City, Oklahoma shall have exclusive jurisdiction for all claims, actions and other proceedings involving or relating to the Plan, a plan administrator or a party in interest, including, by way of example and not limitation, a claim or action (1) to recover benefits allegedly due under the Plan or by reason of any law, (2) to enforce rights under the Plan, (3) to clarify rights to future benefits under the Plan, or (4) that relates to the Plan and seeks a remedy, ruling or judgment of any kind against the Plan or a plan administrator or a party in interest.

7.9 Finality of Determinations; Exhaustion of Remedies. To the extent permitted by law, decisions reached under the claims procedures set forth in Section 7.8 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 Section 7.8. In any such legal action, the claimant may only present evidence and theories that the claimant presented during the claims procedure. Any claims that 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 arbitrary, capricious or an abuse of discretion based on the evidence and theories the claimant presented during the claims procedure. This Section shall have no application during the 24-month period following a Change of Control Payment Event as to a claim that is first asserted or first denied after the Change of Control Payment Event and, as to such a claim, the de novo standard of judicial review shall apply after the expiration of the 24-month period following a Change of Control Payment Event, this Section shall again apply until the occurrence of a subsequent Change of Control Payment Event.

7.10 Effect of Fiduciary Action. The Plan shall be interpreted by the Committee and all Plan fiduciaries in accordance with the terms of the Plan and their intended meanings. However, the Committee and all Plan fiduciaries 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. Except as stated in Section 7.9, 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 or any Plan fiduciary has been granted discretionary authority under the Plan, the Committee's or Plan fiduciary's prior exercise of such authority shall not obligate it to exercise its authority in a like fashion thereafter. If 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 and all Plan fiduciaries in a fashion consistent with its intent, as determined by the Committee in its sole discretion. The Committee, without the need for the Board's approval, may amend the Plan retroactively to cure any such ambiguity. This Section may not be invoked by any person to require the Plan to be interpreted in a manner that is inconsistent with its interpretation by the Committee or by any Plan fiduciaries. All actions taken and all determinations made in good faith by the Committee or by Plan fiduciaries shall be final and binding upon all persons claiming any interest in or under the Plan. This Section shall not apply to fiduciary or Committee actions or interpretations that take place or are made during the 24-month period following a Change of Control Payment Event. After the expiration of the 24-month period following a Change of Control Payment Event, this Section shall again apply until the occurrence of a subsequent Change of Control Payment Event.

ARTICLE VIII
GENERAL PROVISIONS

8.1 Conditions of Employment Not Affected by Plan. The establishment and maintenance of the Plan shall not be construed as conferring any legal rights upon any Participant to the continuation of employment with the Employer, nor shall the Plan interfere with the rights of the Employer to discharge any Participant with or without cause.

8.2 Restrictions on Alienation 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 shall be void. No right or benefit hereunder shall in any manner be liable for or subject to the debts, contracts, liabilities, or torts of the person entitled to such benefit. If any Participant or the Participant's Beneficiary under this Plan should become bankrupt or attempt to anticipate, alienate, sell, assign, pledge, encumber, or charge any right to a benefit hereunder, then such right or benefit shall cease and terminate.

8.3 Information Required of Participants. Payment of benefits shall begin as of the payment date(s) provided in this Plan, and no formal claim shall be required therefor; provided, in the interest of orderly administration of the Plan, the Committee may make reasonable requests of Participants and Beneficiaries to furnish information that is reasonably necessary and appropriate to the orderly administration of the Plan, and, to that limited extent, payments under the Plan are conditioned upon the Participants and Beneficiaries promptly furnishing true, full and complete information as the Committee may reasonably request.

8.4 Tax Consequences Not Guaranteed. The Company does not warrant that this Plan will have any particular tax consequences for Participants or Beneficiaries and shall not be liable to them if tax consequences they anticipate do not actually occur. The Company shall have no obligation to indemnify a Participant or Beneficiary for lost tax benefits (or other damage or loss).

8.5 Benefits Payable to Incompetents. Any benefits payable hereunder to a minor or person under legal Disability may be made, at the discretion of the Committee, (i) directly to the said person, or (ii) to a parent, spouse, relative by blood or marriage, or the legal representative of said person. The Committee shall not be required to see to the application of any such payment, and the payee's receipt shall be a full and final discharge of the Committee's responsibility hereunder.

8.6 Severability. If any provision of the Plan is held invalid or illegal for any reason, any illegality or invalidity shall not affect the remaining provisions of the Plan, and the Plan shall be construed and enforced as if the illegal or invalid provision had never been contained therein. The Company shall have the privilege and opportunity to correct and remedy such questions of illegality or invalidity by amendment.

8.7 Tax Withholding. The Employer may withhold from a payment or accrued benefit or from the Eligible Employee's other compensation any federal, state, or local taxes required by law to be withheld with respect to such payment or accrued benefit and such sums as the Employer may reasonably estimate as necessary to cover any taxes for which the Employer may be liable and which may be assessed with regard to such payment.

8.8 Domestic Relations Orders. The Committee shall establish procedures for determining whether an order directed to the Plan is a Plan-Approved Domestic Relations Order. If the Committee determines that an order is a Plan-Approved Domestic Relations Order, the Committee shall cause the payment of amounts pursuant to or segregate a separate account as provided by (and to prevent any payment or act that might be inconsistent with) the Plan-Approved Domestic Relations Order to the extent permitted by Section 409A of the Code.

ARTICLE IX
AMENDMENT AND TERMINATION

9.1 Amendment and/or Termination. The Committee may amend or modify the Plan at any time and in any manner, provided, (i) no amendment shall reduce any portion of a Participant's Account that is vested and (ii) no amendment shall be effective to the extent it results in a violation of Section 409A of the Code. The Committee may terminate the Plan within the parameters and limitations imposed by Section 409A of the Code.

ARTICLE X
MISCELLANEOUS PROVISIONS

10.1 Articles and Section Titles and Headings. The titles and headings at the beginning of each Article and Section shall not be considered in construing the meaning of any provisions in this Plan.

10.2 Joint Obligations. For purposes of this Plan, the Company and Devon Energy Production Company, L.P., an Oklahoma limited partnership, shall have joint and several liability for all obligations hereunder

10.3 Governing Law. This Plan is subject to ERISA, but is exempt from most parts of ERISA since it is an unfunded deferred compensation plan maintained for a select group of management or highly compensated employees. In no event shall any references to ERISA in the Plan be construed to mean that the Plan is subject to any particular provisions of ERISA. The Plan shall be governed and construed in accordance with federal law and the laws of the State of Oklahoma, except to the extent such laws are preempted by ERISA.

* * * * * * * * *

IN WITNESS WHEREOF, on this 9th day of December, 2021, the Company has caused this instrument to be executed by its duly authorized officers in a number of copies, each of which shall be deemed an original but all of which shall constitute one and the same instrument.

DEVON ENERGY CORPORATION, a Delaware corporation

By:	/s/Tana K. Cashion
Name:	Tana K. Cashion
Title:	Senior Vice President Human Resources and Administration

APPENDIX A
PROVISIONS APPLICABLE TO FORMER WPX ENERGY, INC. EMPLOYEES FOR THE 2021 PLAN YEAR

1.1 Limited Application. The special conditions described in this Appendix A shall apply to former employees of WPX Energy, Inc. ("WPX Employees") for the 2021 Plan Year. All other generally applicable provisions of the Plan shall apply to WPX Employees for the 2021 Plan Year and the special conditions of this Appendix A shall cease to apply for periods after the 2021 Plan Year.

1.2 Additional Eligibility Criteria. For the 2021 Plan Year, a WPX Employee who is an Eligible Employee as determined in accordance with Section 3.1 shall be eligible to participate in the Plan for the purpose of receiving Company Contributions only if such Eligible Employee's compensation exceeded the compensation limitation imposed by Section 401(a)(17) of the Code, taking into account all compensation paid by WPX Energy, Inc. that would have counted for purposes of this eligibility determination if the compensation had been paid by the Employer. In addition, for the 2021 Plan Year, a WPX Employee who is an Eligible Employee as determined in accordance with Section 3.1 shall be eligible for the purposes of receiving Company Contributions under Section 1.3 below if the Eligible Employee made contributions to a non-qualified deferred compensation plan sponsored by WPX Energy, Inc., taking into account the contributions made to the WPX Energy, Inc. non-qualified deferred compensation plan as if they had been made to a non-qualified deferred compensation plan sponsored by the Company.

1.3 Definition of Qualified Plan; Inclusion of WPX 401(k) Plan Participation and Contributions. For purposes of the 2021 Plan Year, the term "Qualified Plan" shall be deemed to include a reference to the WPX Energy Savings Plan ("WPX Plan") for all Plan purposes. Without limiting the foregoing, (i) WPX Employee Compensation (as defined below) and contributions to the WPX Plan shall be included for purposes of determining Company Contributions under Section 4.1 of the Plan, (ii) a WPX Employee shall only be eligible to receive Company Contributions under the Plan for the 2021 Plan Year (or other applicable determination period) if and to the extent that the WPX Employee satisfies the eligibility requirements (including, without limitation, the requirement to be employed by the Employer as of a specified date or dates) to receive a Company contribution under the Qualified Plan as amended to provide for the merger of the WPX Plan with and into the Qualified Plan for such period, and (iii) Company Contributions to WPX Employees will be subject to the requirements and conditions, including vesting schedules set forth in the Qualified Plan as amended to provide for the merger of the WPX Plan with and into the Qualified Plan. For purposes of this Appendix A, the term "WPX Employee Compensation" means compensation paid to an Eligible Employee as determined under the Qualified Plan but (a) without regard to the compensation limitation imposed by Section 401(a)(17) of the Code, (b) taking into account amounts paid by WPX Energy, Inc. as if they had been paid by the Employer, and (c) including contributions to a non-qualified deferred compensation plan sponsored by the Company or WPX Energy, Inc.

1.4 Special 2021 Restoration Matching Contributions. A WPX Employee (i) who is an Eligible Employee, (ii) who is classified as "Director" level or above at any time during the 2021 Plan Year, and (iii) whose contributions to the Qualified Plan equaled the maximum amount of contributions permitted under the limitation imposed by Section 402(g) of the Code shall be eligible to receive a special matching contribution in the 2021 Plan Year equal to (i) 6% of the Eligible Employee's WPX Employee Compensation; less (ii) the sum of (a) matching contributions accrued under the Qualified Plan during the 2021 Plan Year, which includes contributions accrued under the WPX Plan before its merger into the Qualified Plan and (b) matching contributions accrued under the Devon Energy Corporation Non-Qualified Deferred Compensation Plan. A WPX Employee shall only be eligible to receive this special matching contribution for the 2021 Plan Year (or other applicable determination period) if and to the extent that the WPX Employee satisfies the eligibility requirements (including, without limitation, the requirement to be employed by the Employer as of a specified date or dates) to receive a matching contribution under the Qualified Plan, as amended to provide for the merger of the WPX Plan into the Qualified Plan.

DEVON ENERGY CORPORATION

SUPPLEMENTAL CONTRIBUTION PLAN

EFFECTIVE JANUARY 1, 2021

DEVON ENERGY CORPORATION
SUPPLEMENTAL CONTRIBUTION PLAN

ARTICLE I
ESTABLISHMENT AND PURPOSE

1.1 Establishment. Devon Energy Corporation, a Delaware corporation ("the Company"), established an unfunded, nonqualified deferred compensation plan to be known as the Devon Energy Corporation Supplemental Contribution Plan (the "Plan") effective December 1, 2007. The Company amended and restated the Plan on November 11, 2008 with such amendment and restatement effective on December 1, 2007. The Company further amended the Plan effective January 1, 2009 and again amended and restated the Plan effective January 1, 2012. The Company hereby amends and restates the Plan effective January 1, 2021 to incorporate prior amendments, provide for contributions for the 2021 Plan Year for former employees of WPX Energy, Inc. as described in Appendix A attached hereto, and make certain other clarifying changes.

1.2 Purpose. The Plan is intended to provide the amount of the benefit that could otherwise be earned under the Devon Energy Corporation Incentive Savings Plan (the "Qualified Plan") but which cannot be contributed due to the limitations imposed by Section 415 of the Code, which limits amounts of contributions that may be allocated annually to a participant under the Qualified Plan.

1.3 ERISA Status. The Plan is intended to qualify for the exemptions provided under Title I of ERISA for plans that are not tax-qualified and that are maintained solely for the purpose of providing benefits for certain employees in excess of the limitations on contributions and benefits imposed by Section 415 of the code on plans to which that section applies.

ARTICLE II
DEFINITIONS

2.1 Definitions. For purposes of this Plan, the following definitions shall apply.

(a) "Account" means the recordkeeping accounts maintained by the Company to record the payment obligation of the Company to a Participant as determined under the terms of this Plan. The Company may maintain an Account to record the total obligation to the Participant under this Plan and component accounts to reflect amounts payable at different times and in different forms. Reference to an Account means any such Account established by the Company as the context requires.

(b) "Affiliate" means a corporation, trade or business that, together with the Company, is treated as a single employer under Code Section 414(b) or (c).

(c) "Beneficiary" means the person, persons, trust, or other entity designated by a Participant on the beneficiary designation form adopted by the Company to receive benefits, if any, under this Plan at such Participant's death pursuant to Section 5.2.

(d) "Board" means the Board of Directors of the Company.

(e) "Change of Control Payment Event" means the occurrence of any one of the following events:

(i) the Incumbent Directors cease for any reason to constitute at least a majority of the Board (for these purposes, the term "Incumbent Directors" means the members of the Board on December 1, 2007; provided, however, that (a) any person becoming a director and whose election or nomination for election was approved by a vote of at least a majority of the Incumbent Directors then on the Board (either by a specific vote or by approval of the proxy statement of the Company in which such person is named as a nominee for director, without written objection to such nomination) shall be deemed an Incumbent Director, and (b) no individual initially elected or nominated as a director of the Company as a result of an actual or threatened election contest ("Election Contest"), pursuant to any proxy access procedures for stockholders included in the Company's organizational documents, or other actual or threatened solicitation of proxies or consents by or on behalf of any "person" (as such term is defined in Section 3(a)(9) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and as used in Sections 13(d)(3) and 14(d)(2) of the Exchange Act) ("Proxy Contest"), including by reason of any agreement intended to avoid or settle any Election Contest or Proxy Contest, shall be deemed an Incumbent Director; provided further, however, that when two or more persons act as a partnership, limited partnership, syndicate, or other group for the purpose of acquiring, holding, or disposing of Company securities, such partnership, syndicate or group shall be deemed a "person" for purposes of this definition);

(ii) any person is or becomes a "beneficial owner" (as such meaning is set forth in Rule 13d-3 under the Exchange Act), directly or indirectly, of Company securities representing 30% or more of either (x) the Company's outstanding shares of common stock or (y) the combined voting power of the Company's then-outstanding securities eligible to vote in the election of directors (each, "Company Securities"); provided, however, that the event described in this subsection (ii) shall not be deemed to be a Change of Control Payment Event by virtue of any of the following acquisitions or transactions: (A) by the Company or any subsidiary, (B) by any employee benefit plan (or related trust) sponsored or maintained by the Company or any subsidiary, (C) by an underwriter temporarily holding securities pursuant to an offering of such securities, or (D) pursuant to a Non-Qualifying Transaction;

(iii) the consummation of a merger, consolidation, statutory share exchange, or similar form of corporate transaction involving the Company or any of its subsidiaries that requires the approval of the Company's stockholders, whether for such transaction or the issuance of securities in the transaction (a "Reorganization"), or the sale or other disposition of all or substantially all of the Company's assets to an entity that is not an Affiliate (a "Sale"), unless:

(1) immediately following the consummation of the Reorganization or Sale, the holders of the Company's shares of common stock hold or receive in such Reorganization or hold more than 50% of each of the outstanding common stock and the total voting power of securities eligible to vote in the election of directors of (x) the corporation resulting from such Reorganization or the corporation that has acquired all or substantially all of

the assets of the Company (in either case, "the Surviving Corporation"), or (y) if applicable, the ultimate parent corporation that directly or indirectly has beneficial ownership of 100% of the voting securities eligible to elect directors of the Surviving Corporation ("the Parent Corporation"),

(2) no person (other than any employee benefit plan (or related trust) sponsored or maintained by the Surviving Corporation or the Parent Corporation) is or becomes, as a result of the Reorganization or Sale, the beneficial owner, directly or indirectly, of 30% or more of the outstanding shares of common stock or the total voting power of the outstanding voting securities eligible to vote in the election of directors of the Parent Corporation (or, if there is no Parent Corporation, the Surviving Corporation), and

(3) at least a majority of the members of the board of directors of the Parent Corporation (or, if there is no Parent Corporation, the Surviving Corporation) following the consummation of the Reorganization or Sale were Incumbent Directors at the time of the Board's approval of the execution of the initial agreement providing for such Reorganization or Sale;

(any Reorganization or Sale that satisfies all of the criteria specified in (1), (2) and (3) above shall be deemed to be a "Non-Qualifying Transaction"); or

(iv) the Company's stockholders consummate a plan of complete liquidation or dissolution of the Company.

Notwithstanding the foregoing, a Change of Control Payment Event shall not be deemed to occur solely because any person acquires beneficial ownership of more than 30% of Company Securities due to the Company's acquisition of Company Securities that reduces the number of Company Securities outstanding; provided, however, if, following such acquisition by the Company, such person becomes the beneficial owner of additional Company Securities that increases the percentage of outstanding Company Securities beneficially owned by such person, a Change of Control Payment Event shall then occur. In addition, if a Change of Control Payment Event occurs pursuant to paragraph 2.1(e)(ii) above, no additional Change of Control Payment Event shall be deemed to occur pursuant to paragraph 2.1(e)(ii) by reason of subsequent changes in holdings by such person (except if the holdings by such person are reduced below 30% and thereafter increase to 30% or above).

Solely with respect to that portion of a Participant's Account that is subject to Section 409A of the Code, the foregoing definition of Change of Control Payment Event shall be interpreted, administered, limited and construed in a manner necessary to ensure that the occurrence of any such event shall result in a Change of Control Payment Event only if such event qualifies as a change in the ownership or effective control of a corporation, or a change in the ownership of a substantial portion of the assets of a corporation, as applicable, within the meaning of Treasury Regulation Section 1.409A-3(i)(5).

(f) "Code" means the Internal Revenue Code of 1986, as amended from time to time, and any Regulations relating thereto.

(g) "Committee" means the Compensation Committee appointed by the Board or a committee established by the Compensation Committee that has been delegated duties related to the Plan.

(h) "Company Contribution" means the contribution made by the Company for the benefit of the Participant under Article IV of the Plan in any Plan Year.

(i) "Credited Earnings" means the gains or losses applied to a Participant's Account pursuant to Section 6.2.

(j) "Disabled" or "Disability" means a Participant is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or last for a continuous period of not less than 12 months. The Committee shall determine whether a Participant is Disabled in accordance with Section 409A of the Code.

(k) "ERISA" means the Employee Retirement Income Security Act of 1974, as amended.

(l) "Eligible Employee" means an employee who is a participant in the Qualified Plan whose Company contribution to the Qualified Plan is limited due to the application of Section 415 of the Code.

(m) "Employer" shall mean the Company and/or any Affiliate that employs the Participants.

(n) "Participant" means an Eligible Employee who has Company Contributions credited to an Account under this Plan.

(o) "Plan" means this Devon Energy Corporation Supplemental Contribution Plan.

(p) "Plan-Approved Domestic Relations Order" means a qualified domestic relations order as defined in Section 414(p)(1)(B) of the Code that meets the requirements established by the Committee.

(q) "Plan Year" means the 12-month period beginning on January 1 and ending on December 31.

(r) "Qualified Plan" means the Devon Energy Corporation Incentive Savings Plan.

(s) "Separation from Service." A Participant incurs a Separation from Service upon termination of employment with the Employer. Whether a Separation from Service has occurred shall be determined by the Committee in accordance with Section 409A of the Code.

Except in the case of a Participant on a bona fide leave of absence as provided below, a Participant is deemed to have incurred a Separation from Service if the Employer and the Participant reasonably anticipated that the level of services to be performed by the Participant after a certain date would be reduced to 20% or less of the average services rendered by the Participant during the immediately preceding 36-month period (or the total period of employment, if less than 36 months), disregarding periods during which the Participant was on a bona fide leave of absence.

A Participant who is absent from work due to military leave, sick leave, or other bona fide leave of absence shall incur a Separation from Service on the first date immediately following the later of (i) the six-month anniversary of the commencement of the leave or (ii) the expiration of the Participant's right, if any, to reemployment under statute or contract.

For purposes of determining whether a Separation from Service has occurred, the Employer means the Employer as defined in Section 2.1(m), except that for purposes of determining whether another organization is an Affiliate of the Company, common ownership of at least 50% shall be determinative.

(t) "Specified Employee" means those employees of the Employer who are determined by the Committee to be a "specified employee" in accordance with Section 409A of the Code and the regulations promulgated thereunder and the Devon Energy Corporation Specified Employee Policy.

2.2 Construction. Except when otherwise indicated by the context, any masculine terminology when used in the Plan shall also include the feminine gender, and the definition of any term in the singular shall also include the plural.

2.3 Funding. The benefits described in this Plan are contractual obligations of the Employers to pay compensation for services, and shall constitute a liability to the Participants and/or their Beneficiaries in accordance with the terms hereof. All amounts paid under this Plan shall be paid in cash from the general assets of the Employers and shall be subject to the general creditors of the Company and the Employer of the Participant. Benefits shall be reflected on the accounting records of the Employers but shall not be construed to create, or require the creation of, a trust, custodial or escrow account. No special or separate fund need be established and no segregation of assets need be made to ensure the payment of such benefits. No Participant shall have any right, title or interest whatsoever in or to any investment reserves, accounts, funds or assets that the Employer may purchase, establish or accumulate to aid in providing the benefits described in this Plan. Nothing contained in this Plan, and no action taken pursuant to its provisions, shall create or be construed to create a trust or a fiduciary relationship of any kind between an Employer or the Company and a Participant or any other person, provided, the Company may establish and/or continue a grantor trust as defined in Section 671 of the Code to provide a source of funding for amounts deferred hereunder. Neither a Participant nor the Beneficiary of a Participant shall acquire any interest hereunder greater than that of an unsecured creditor of the Company or any Affiliate who is the Employer of such Participant.

ARTICLE III
ELIGIBILITY AND PARTICIPATION

3.1 Eligibility and Participation. All determinations as to an employee's status as an Eligible Employee shall be made by the Committee. The determinations of the Committee shall be final and binding on all employees. Eligible Employees who have received Company Contributions under this Plan shall continue as a Participant as long as there is a balance credited to his or her Account.

ARTICLE IV
COMPANY CONTRIBUTIONS

4.1 Company Contributions. The Company Contribution for a Plan Year (or other applicable determination period) will be equal to the amount of Company contributions that would have otherwise been allocated to the Participant under the Qualified Plan but for the application of Section 415 of the Code. Further, a Participant shall only be eligible to receive Company Contributions under this Plan for a Plan Year (or other applicable determination period) if and to the extent that the Participant satisfies the eligibility requirements (including, without limitation, the requirement to be employed by the Employer as of a specified date or dates) to receive a Company contribution under the Qualified Plan for such period.

ARTICLE V
PAYMENT OF BENEFITS

5.1 Payment Events. A Participant's Account shall become payable at the time and in the form described in this Article upon the earliest to occur of the following events: (i) the Participant's Separation from Service, (ii) the Participant's Disability, (iii) a Change of Control Payment Event or (iv) the Participant's death.

5.2 Time and Method of Payment. Plan Account balances will be paid in the form of a single lump sum payment within 90 days of the Participant's death or Disability or the occurrence of a Change of Control Payment Event. Plan Account balances will also be paid in the form of a single lump-sum payment within 90 days of the date of a Participant's Separation from Service unless the Participant is a Specified Employee. In the event the Participant is a Specified Employee, payment shall be made in the form of a single lump-sum payment within 90 days of the first business day of the seventh month following Separation from Service. It is possible that a Participant may be entitled to a Company Contribution for the Plan Year in which the payment event occurs but such amount, if any, will not be determinable until the Plan Year immediately following the Plan Year in which the payment event occurred. Therefore, to the extent the Participant is entitled to a Company Contribution that is attributable to the Plan Year in which a payment event occurs, such amount shall be paid in a lump sum by December 31 of the Plan Year immediately following the Plan Year in which the payment event occurred.

5.3 Payment to Specified Employees upon Separation from Service. In no event shall a Specified Employee receive a payment under this Plan following a Separation from Service prior to the first business day of the seventh month following the date of Separation from Service.

5.4 Beneficiary Designations. A Participant shall designate on a beneficiary designation form a Beneficiary who, upon the Participant's death, will receive payments that otherwise would have been paid to him under the Plan. All Beneficiary designations shall be in writing. Any such designation shall be effective only if and when delivered to the Committee during the lifetime of the Participant. A Participant may change a Beneficiary or Beneficiaries by filing a new beneficiary designation form. The latest beneficiary designation form shall apply to the combined Accounts and subaccounts of the Participant. If a Beneficiary of a Participant predeceases the Participant, the designation of such Beneficiary shall be void. If a Beneficiary to whom benefits under the Plan remain unpaid dies after the Participant and the Participant failed to specify a contingent Beneficiary on the appropriate beneficiary designation form, the remainder of such death benefit payments shall be paid to such Beneficiary's estate. If a Participant fails to designate a Beneficiary with respect to any death benefit payments or if such designation is ineffective, in whole or in part, any payment that otherwise would have been paid to such Participant shall be paid to the Participant's estate.

ARTICLE VI
ACCOUNTS AND INVESTMENT

6.1 Participant Accounts. The Committee shall maintain, or cause to be maintained, a bookkeeping Account for each Participant for the purpose of accounting for the Participant's interest under the Plan.

6.2 Adjustment of Accounts. Each Participant's Account shall be adjusted to reflect all Company Contributions credited to the Participant's Account, all positive or negative Credited Earnings credited or debited to the Participant's Account as provided by Section 6.3, and all benefit payments charged to the Participant's Account. Company Contributions shall be credited to a Participant's Account and shall be subject to the vesting requirements described in Section 6.4. Credited Earnings and other earnings shall be credited to Participant Accounts pursuant to the performance of the investments held for the benefit of the Participant. Charges to a Participant's Account to reflect benefit payments shall be made as of the date of any such payment and charged to the applicable subaccount within such Account. As of any relevant date, the balance standing to the credit of a Participant's Account, and each separate subaccount comprising such Account, shall be the respective balance in such Account and the component subaccounts as of the close of business on such date after all applicable credits, debits and charges have been posted.

6.3 Investment of Account. The Committee will offer more than one benchmark fund as a deemed investment alternative. The benchmark funds offered will be determined in the sole discretion of the Committee. Each Participant may select among the different benchmark funds offered. The deemed investments in benchmark funds are only for the purpose of determining the Company's payment obligation under the Plan. A Participant who has a choice of more than one such benchmark fund may, as frequently as daily, modify his election of benchmark funds through a procedure designated by the Committee. Such modification will be in accordance with rules and procedures adopted by the Committee.

6.4 Vesting. A Participant shall become vested in Company Contributions and Credited Earnings thereon as such Participant would be vested pursuant to the terms of the Qualified Plan.

6.5 Account Statements. The Committee shall provide each Participant with a statement of the status of the Participant's Account under the Plan. The Committee shall provide such statement annually or at such other times as the Committee may determine. Annual statements shall be in the format prescribed by the Committee.

ARTICLE VII
ADMINISTRATION

7.1 Administration. The Plan shall be administered, construed and interpreted by the Committee. The Committee shall have the sole authority and discretion to determine eligibility and to construe the terms of the Plan. The determinations by the Committee as to any disputed questions arising under the Plan, including the Eligible Employees who are eligible to be Participants in the Plan and the amounts of their benefits under the Plan, and the construction and interpretation by the Committee of any provision of the Plan, shall be final, conclusive and binding upon all persons including the Participants, their Beneficiaries, the Company, its stockholders and employees and the Employers.

7.2 Indemnification and Exculpation. The members of the Committee and its agents shall be indemnified and held harmless by the Company against and from any and all loss, cost, liability or expense that may be imposed upon or reasonably incurred by them in connection with or resulting from any claim, action, suit or proceeding to which they may be a party or in which they may be involved by reason of any action taken or failure to act under this Plan and against and from any and all amounts paid by them in settlement (with the Company's written approval) or paid by them in satisfaction of a judgment in any such action, suit or proceeding. The foregoing provisions shall not be applicable to any person if the loss, cost, liability or expense is due to such person's gross negligence or willful misconduct.

7.3 Rules of Conduct. The Committee shall adopt such rules for the conduct of its business and the administration of this Plan as it considers desirable, provided they do not conflict with the provisions of this Plan.

7.4 Legal, Accounting, Clerical and Other Services. The Committee may authorize one or more if its members or any agent to act on its behalf and may contract for legal, accounting, clerical and other services to carry out this Plan. The Company shall pay all expenses of the Committee.

7.5 Records of Administration. The Committee shall keep records reflecting the administration of this Plan, which shall be subject to audit by the Company.

7.6 Expenses. The expenses of administering the Plan shall be borne by the Company.

7.7 Liability. No member of the Board or of the Committee shall be liable for any act or action, whether of commission or omission, taken by any other member, or by any officer, agent, or employee of the Company or of any such body, nor, except in circumstances involving his bad faith, for anything done or omitted to be done by himself

7.8 Claims Review Procedures. The following claim procedures shall apply until such time as a Change of Control Payment Event has occurred. During the 24-month period following a Change of Control Payment Event, these procedures shall apply only to the extent the claimant requests their application. After the expiration of the 24-month period following a Change of Control Payment Event, these procedures shall again apply until the occurrence of a subsequent Change of Control Payment Event.

(a) Denial of Claim. If a claim for benefits is wholly or partially denied, the claimant shall be given notice in writing of the denial within a reasonable time after the receipt of the claim, but not later than 90 days after the receipt of the claim. However, if special circumstances require an extension, written notice of the extension shall be furnished to the claimant before the termination of the 90-day period. In no event shall the extension exceed a period of 90 days after the expiration of the initial 90-day period. The notice of the denial shall contain the following information written in a manner that may be understood by a claimant:

(i) The specific reasons for the denial;

(ii) Specific reference to pertinent Plan provisions on which the denial is based;

(iii) A description of any additional material or information necessary for the claimant to perfect his claim and an explanation of why such material or information is necessary;

(iv) An explanation that a full and fair review by the Committee of the denial may be requested by the claimant or his authorized representative by filing a written request for a review with the Committee within 60 days after the notice of the denial is received; and

(v) If a request for review is filed, the claimant or his authorized representative may review pertinent documents and submit issues and comments in writing within the 60-day period described in Section 7.8(a)(iv).

(b) Decisions After Review. The decision of the Committee with respect to the review of the denial shall be made promptly and in writing, but not later than 60 days after the Committee receives the request for the review. However, if special circumstances require an extension of time, a decision shall be rendered not later than 120 days after the receipt of the request for review. A written notice of the extension shall be furnished to the claimant prior to the expiration of the initial 60-day period. The claimant shall be given a copy of the decision, which shall state, in a manner calculated to be understood by the claimant, the specific reasons for the decision and specific references to the pertinent Plan provisions on which the decision is based.

(c) 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 ERISA.

(d) Exhaustion of Claims Procedures. A claim or action (1) to recover benefits allegedly due under the Plan or by reason of any law, (2) to enforce rights under the Plan, (3) to clarify rights to future benefits under the Plan, or (4) that relates to the Plan and seeks a remedy, ruling or judgment of any kind against the Plan or a plan administrator or a party in interest (collectively, a "Judicial Claim"), may not be commenced in any court or forum until after the claimant has exhausted the Plan's claims and appeals procedures (an "Administrative Claim"). A claimant must raise all arguments and produce all evidence that the claimant believes supports the claim or action in the Administrative Claim and shall be deemed to have waived every argument and the right to produce any evidence not submitted to the Committee as part of the Administrative Claim. Any Judicial Claim must be commenced in the appropriate court or forum no later than 24 months from the earliest of (A) the date the first benefit payment was made or allegedly due, (B) the date the Committee or its delegate first denied the claimant's request, or (C) the first date the claimant knew or should have known the principal facts on which such claim or action is based; provided, however, that, if the claimant commences an Administrative Claim before the expiration of such 24-month period, the period for commencing a Judicial Claim shall expire on the later of the end of the 24-month period and the date that is three months after the final denial of the claimant's Administrative Claim, such that the claimant has exhausted the Plan's claims and appeals procedures. Any claim or action that is commenced, filed or raised, whether a Judicial Claim or an Administrative Claim, after expiration of such 24-month limitations period (or, if applicable, expiration of the three-month limitations period following exhaustion of the Plan's claims and appeals procedures) shall be time-barred. Filing or commencing a Judicial Claim before the claimant exhausts the Administrative Claim requirements shall not toll the 24-month limitations period (or, if applicable, the three-month limitations period).

(e) Venue. The courts of competent jurisdiction in Oklahoma City, Oklahoma shall have exclusive jurisdiction for all claims, actions and other proceedings involving or relating to the Plan, a plan administrator or a party in interest, including, by way of example and not limitation, a claim or action (1) to recover benefits allegedly due under the Plan or by reason of any law, (2) to enforce rights under the Plan, (3) to clarify rights to future benefits under the Plan; or (4) that relates to the Plan and seeks a remedy, ruling or judgment of any kind against the Plan or a plan administrator or a party in interest.

7.9 Finality of Determinations; Exhaustion of Remedies. To the extent permitted by law, decisions reached under the claims procedures set forth in Section 7.8 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 Section 7.8. In any such legal action, the claimant may only present evidence and theories that the claimant presented during the claims procedure. Any claims that 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 arbitrary, capricious or an abuse of discretion based on the evidence and theories the claimant presented

during the claims procedure. This Section shall have no application during the 24-month period following a Change of Control Payment Event as to a claim that is first asserted or first denied after the Change of Control Payment Event and, as to such a claim, the de novo standard of judicial review shall apply. After the expiration of the 24-month period following a Change of Control Payment Event, this Section shall again apply until the occurrence of a subsequent Change of Control Payment Event.

7.10 Effect of Fiduciary Action. The Plan shall be interpreted by the Committee and all Plan fiduciaries in accordance with the terms of the Plan and their intended meanings. However, the Committee and all Plan fiduciaries 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. Except as stated in Section 7.9, 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 or any Plan fiduciary has been granted discretionary authority under the Plan, the Committee's or Plan fiduciary's prior exercise of such authority shall not obligate it to exercise its authority in a like fashion thereafter. If 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 and all Plan fiduciaries in a fashion consistent with its intent, as determined by the Committee in its sole discretion. The Committee, without the need for the Board's approval, may amend the Plan retroactively to cure any such ambiguity. This Section may not be invoked by any person to require the Plan to be interpreted in a manner that is inconsistent with its interpretation by the Committee or by any Plan fiduciaries. All actions taken and all determinations made in good faith by the Committee or by Plan fiduciaries shall be final and binding upon all persons claiming any interest in or under the Plan. This Section shall not apply to fiduciary or Committee actions or interpretations that take place or are made during the 24-month period following a Change of Control Payment Event. After the expiration of the 24-month period following a Change of Control Payment Event, this Section shall again apply until the occurrence of a subsequent Change of Control Payment Event.

ARTICLE VIII
GENERAL PROVISIONS

8.1 Conditions of Employment Not Affected by Plan. The establishment and maintenance of the Plan shall not be construed as conferring any legal rights upon any Participant to the continuation of employment with the Employer, nor shall the Plan interfere with the rights of the Employer to discharge any Participant with or without cause.

8.2 Restrictions on Alienation 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 shall be void. No right or benefit hereunder shall in any manner be liable for or subject to the debts, contracts, liabilities, or torts of the person entitled to such benefit. If any Participant or the Participant's Beneficiary under this Plan should become bankrupt or attempt to anticipate, alienate, sell, assign, pledge, encumber, or charge any right to a benefit hereunder, then such right or benefit shall cease and terminate.

8.3 Information Required of Participants. Payment of benefits shall begin as of the payment date(s) provided in this Plan and no formal claim shall be required therefor; provided, in the interest of orderly administration of the Plan, the Committee may make reasonable requests of Participants and Beneficiaries to furnish information that is reasonably necessary and appropriate to the orderly administration of the Plan, and, to that limited extent, payments under the Plan are conditioned upon the Participants and Beneficiaries promptly furnishing true, full and complete information as the Committee may reasonably request.

8.4 Tax Consequences Not Guaranteed. The Company does not warrant that this Plan will have any particular tax consequences for Participants or Beneficiaries and shall not be liable to them if tax consequences they anticipate do not actually occur. The Company shall have no obligation to indemnify a Participant or Beneficiary for lost tax benefits (or other damage or loss).

8.5 Benefits Payable to Incompetents. Any benefits payable hereunder to a minor or person under legal Disability may be made, at the discretion of the Committee, (i) directly to the said person, or (ii) to a parent, spouse, relative by blood or marriage, or the legal representative of said person. The Committee shall not be required to see to the application of any such payment, and the payee's receipt shall be a full and final discharge of the Committee's responsibility hereunder.

8.6 Severability. If any provision of the Plan is held invalid or illegal for any reason, any illegality or invalidity shall not affect the remaining provisions of the Plan, and the Plan shall be construed and enforced as if the illegal or invalid provision had never been contained therein. The Company shall have the privilege and opportunity to correct and remedy such questions of illegality or invalidity by amendment.

8.7 Tax Withholding. The Employer may withhold from a payment or accrued benefit or from the Eligible Employee's other compensation any federal, state, or local taxes required by law to be withheld with respect to such payment or accrued benefit and such sums as the Employer may reasonably estimate as necessary to cover any taxes for which the Employer may be liable and which may be assessed with regard to such payment.

8.8 Domestic Relations Orders. The Committee shall establish procedures for determining whether an order directed to the Plan is a Plan-Approved Domestic Relations Order. If the Committee determines that an order is a Plan-Approved Domestic Relations Order, the Committee shall cause the payment of amounts pursuant to or segregate a separate account as provided by (and to prevent any payment or act that might be inconsistent with) the Plan-Approved Domestic Relations Order to the extent permitted by Section 409A of the Code.

ARTICLE IX
AMENDMENT AND TERMINATION

9.1 Amendment and/or Termination. The Committee may amend or modify the Plan at any time and in any manner, provided, (i) no amendment shall reduce any portion of a Participant's Account that is vested and (ii) no amendment shall be effective to the extent it results in a violation of Section 409A of the Code. The Committee may terminate the Plan within the parameters and limitations imposed by Section 409A of the Code.

ARTICLE X
MISCELLANEOUS PROVISIONS

10.1 Articles and Section Titles and Headings. The titles and headings at the beginning of each Article and Section shall not be considered in construing the meaning of any provisions in this Plan.

10.2 Joint Obligations. For purposes of this Plan, the Company and Devon Energy Production Company, L.P., an Oklahoma limited partnership shall have joint and several liability for all obligations hereunder.

10.3 Governing Law. This Plan is subject to ERISA but is exempt from most parts of ERISA since it is an unfunded deferred compensation plan maintained for a select group of management or highly compensated employees. In no event shall any references to ERISA in the Plan be construed to mean that the Plan is subject to any particular provisions of ERISA. The Plan shall be governed and construed in accordance with federal law and the laws of the State of Oklahoma, except to the extent such laws are preempted by ERISA.

* * * *

IN WITNESS WHEREOF, on this 9th day of December, 2021, the Company has caused this instrument to be executed by its duly authorized officers in a number of copies, each of which shall be deemed an original but all of which shall constitute one and the same instrument.

DEVON ENERGY CORPORATION, a Delaware corporation

By: /s/Tana K. Cashion
Name: Tana K. Cashion
Title: Senior Vice President Human Resources and Administration

APPENDIX A
PROVISIONS APPLICABLE TO FORMER WPX ENERGY, INC. EMPLOYEES FOR THE 2021 PLAN YEAR

1.1 Limited Application. The special conditions described in this Appendix Ashall apply to former employees of WPX Energy, Inc. ("WPX Employees") for the 2021 Plan Year. All other generally applicable provisions of the Plan shall apply to WPX Employees for the 2021 Plan Year and the special conditions of this Appendix A shall cease to apply for periods after the 2021 Plan Year.

1.2 Definition of Qualified Plan; Inclusion of WPX 401(k) Plan Participation and Contributions. For purposes of the 2021 Plan Year, the term "Qualified Plan" shall be deemed to include a reference to the WPX Energy Savings Plan ("WPX Plan") for all Plan purposes. Without limiting the foregoing, (i) contributions to a WPX Employee under the WPX Plan for periods prior to the merger of the WPX Plan into the Qualified Plan shall be treated as contributions to the Qualified Plan for purposes of determining Company Contributions pursuant to Section 4.1 of the Plan; (ii) a WPX Employee shall only be eligible to receive Company Contributions under the Plan for the 2021 Plan Year (or other applicable determination period) if and to the extent that the WPX Employee satisfies the eligibility requirements (including, without limitation, the requirement to be employed by the Employer as of a specified date or dates) to receive a company contribution under the Qualified Plan as amended to provide for the merger of the WPX Plan with and into the Qualified Plan, and (iii) Company Contributions to WPX Employees will be subject to the requirements and conditions, including vesting schedules set forth in the Qualified Plan as amended to provide for the merger of the WPX Plan with and into the Qualified Plan.

Exhibit 10.26

DEVON ENERGY CORPORATION
INCENTIVE SAVINGS PLAN

As Amended and Restated Effective January 1, 2022

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ARTICLE I

BACKGROUND AND STATEMENT OF PURPOSE

1.01 Background. The Devon Energy Corporation Incentive Savings Plan (the "Plan") is maintained by Devon Energy Corporation (the "Company"). The Plan was originally established by the Company on January 1, 1990. The Plan was amended and restated effective as of October 1, 2007. The Plan was amended and restated generally effective January 1, 2012 and January 1, 2013, in each case to reflect certain design changes; incorporate amendments; and make certain other clarifying changes. The Plan was most recently amended and restated generally effective January 1, 2014, except as otherwise required by law or provided therein, to incorporate amendments (including the amendment to reflect the Company's sale of its ownership interest in Thunder Creek Gas Services, L.L.C. and the Plan ceasing to be a multiple employer plan as a result of such sale); amend the definition of "Spouse," to reflect the Supreme Court's decision in *United States v. Windsor*; and related guidance and to make certain other clarifying changes. The Plan again was amended and restated, generally effective January 1, 2018, except as otherwise provided herein, to incorporate recent amendments; extend the application of the Plan's automatic advance feature, effective on and after January 1, 2018, to Participants (as defined below) hired before January 1, 2008; and make certain other clarifying changes. The Plan is amended and restated, generally effective January 1, 2022, (the "Effective Date"), except as otherwise provided herein, to incorporate recent amendments and to reflect the provisions of the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act").

1.02 Purposes. The purposes of the Plan are to encourage systematic savings to meet the financial needs of Eligible Employees both during active employment and during retirement and to make available a number of investment vehicles for such savings.

1.03 Rights Affected. Except as otherwise required by law or an amendment or as provided to the contrary herein, the provisions of this amended and restated Plan shall apply only to Employees who complete an Hour of Service on or after the Effective Date. The rights of any other person shall be governed by the Plan as in effect on the date of his Severance from Service, except to the extent expressly provided in any amendment adopted subsequently thereto.

1.04 Qualification under the Internal Revenue Code. It is intended that the Plan be a qualified profit-sharing plan within the meaning of Code section 401(a), that the requirements of Code section 401(k) or 414(v) be satisfied as to that portion of the Plan represented by contributions made pursuant to Participant Salary Deferral elections, that the requirements of Code section 401(m) be satisfied as to that portion of the Plan represented by Matching Contributions and that the trust or other funding vehicle associated with the Plan be exempt from federal income taxation pursuant to the provisions of Code section 501(a).

1.05 Documents. The Plan consists of the Plan document as set forth herein, and any amendment thereto. Certain provisions relating to the Plan and its operation are contained in the corresponding Trust Agreement (or documents establishing any other funding vehicle for the Plan), and any amendments, supplements, appendices and riders to any of the foregoing.

ARTICLE II

DEFINITIONS

2.01 "Account" shall mean the entire interest of a Participant in the Plan. A Participant's Account shall consist of one or more separate accounts reflecting the various types of contributions permitted under the Plan, as hereinafter provided. Without limiting the foregoing, the term "Account" shall also include any separate account established for purposes of accounting for the assets that have been transferred to the Trust Fund from another plan. Participants' rights with respect to such separate accounts shall be determined in accordance with the terms of the Plan or, if applicable, the terms of the Plan as in effect at the time such separate accounts were established.

2.02 "Actual Deferral Percentage" shall mean the ratio (expressed as a percentage to the nearest one-hundredth of one percent) of (a) (1) an active Participant's Salary Deferrals and Roth 401(k) Contributions for the Plan Year (excluding any Salary Deferrals and Roth 401(k) Contributions that are (A) taken into account in determining the Contribution Percentage, (B) distributed to an active Participant who is not a Highly Compensated Employee pursuant to a claim for distribution under Section 5.01, (C) returned to the Participant pursuant to Section 5.04 or (D) contributed pursuant to Section 4.01(b)), plus (2) at the election of the Committee, any portion of the Qualified Nonelective Contributions allocated to the Participant for the Plan Year permitted to be taken into account under Code section 401(k), plus (3) in the case of any Highly Compensated Employee who is eligible to participate in more than one cash or deferred arrangement maintained by the Employer or an Affiliated Company, elective deferrals made on his behalf under all such arrangements (excluding those that are not permitted to be aggregated with the Plan under Treas. Reg. § 1.401(k)-1(b)(4)) for the Plan Year, to (b) the Participant's Compensation for the entire Plan Year, including the portion of the Plan Year when he was an Employee but was not eligible to participate in the Plan.

2.03 "Affiliated Company" shall mean any entity which (a) with the Company constitutes (1) a "controlled group of corporations" within the meaning of Code section 414(b), (2) a "group of trades or businesses under common control" within the meaning of Code section 414(c), or (3) an "affiliated service group" within the meaning of Code section 414(m), or (b) is required to be aggregated with the Company pursuant to Treasury Regulations under Code section 414(o). An entity shall be considered an Affiliated Company only with respect to such period as the relationship described in the preceding sentence exists. For purposes of Section 2.05 or 5.04, "Affiliated Company" shall mean an Affiliated Company, but determined with "more than 50 percent" substituted for the phrase "at least 80 percent" in Code section 1563(a)(1) when applying Code sections 414(b) and (c).

2.04 "Alternate Payee" shall mean the person entitled to receive payment of benefits under the Plan pursuant to a QDRO.

2.05 "Annual Addition" shall mean, for any Participant for any Plan Year, the sum of the following amounts allocated to a Participant's Accounts under the Plan and any other qualified defined contribution plan maintained by the Employer or an Affiliated Company:

(a) Employer contributions (including Matching Contributions; Salary Deferral amounts, except Salary Deferrals contributed pursuant to Section 4.01(b) or distributed pursuant to Section 5.01; Roth 401(k) Contributions; Company Retirement Contributions; Qualified Nonelective Contributions and Qualified Matching Contributions);

(b) Participant contributions (including mandatory or voluntary employee contributions made under a qualified defined benefit plan of the Employer or an Affiliated Company, but excluding Rollover Contributions and amounts repaid pursuant to Section 9.02(f));

(c) forfeitures (to the extent not used to pay Plan expenses); and

(d) amounts described in Code section 415(l)(1) (relating to contributions allocated to individual medical accounts which are part of a pension or annuity plan) and Code section 419A(d)(2) (relating to contributions allocated to post-retirement medical benefit accounts for key employees).

2.06 "Asset Allocation Fiduciary" shall mean, if and to the extent appointed by the Investment Committee, the Named Fiduciary with the authority and responsibilities set forth in Section 11.05.

2.07 "Automatic Enrollment Date" shall mean, for each Eligible Employee who has an Employment Commencement Date on and after January 1, 2008 and who does not make an affirmative election to make (or not to make) Salary Deferrals to the Plan in accordance with Section 4.01, the first day of the payroll period commencing as soon as administratively practicable following the Eligible Employee's Employment Commencement Date.

2.08 "Average Actual Deferral Percentage" shall mean the average (expressed as a percentage to the nearest one-hundredth of one percent) of the Actual Deferral Percentages of a specified group of active Participants.

2.09 "Average Contribution Percentage" shall mean the average (expressed as a percentage to the nearest one-hundredth of one percent) of the Contribution Percentages of a specified group of active Participants.

2.10 "Beneficiary" shall mean the person or entity designated or otherwise determined to be such in accordance with Section 8.05.

2.11 "Benefit Payment Date" shall mean, for any Participant or Beneficiary of a deceased Participant, the date as of which the first benefit payment from a Participant's Account is due; provided, however, that the Benefit Payment Date applicable to any amount withdrawn pursuant to Section 8.04 shall not be taken into account in determining the Participant's Benefit Payment Date with respect to the remainder of his Account.

2.12 "Board of Directors" shall mean the board of directors of the Company or a committee of the Board of Directors to which the Board of Directors has delegated some or all of its responsibilities hereunder.

2.13 "Code" shall mean the Internal Revenue Code of 1986, as the same may be amended from time to time, and any successor statute of similar purpose.

2.14 "Committee" shall mean the Benefits Committee appointed by the Compensation Committee of the Board of Directors to administer the Plan or an individual or entity to which the Committee has delegated some or all of its responsibilities.

2.15 "Company" shall mean Devon Energy Corporation, a Delaware corporation, and its successors.

2.16 "Company Retirement Contribution" shall mean a contribution made by an Employer pursuant to Section 4.04.

2.17 "Company Retirement Contribution Account" shall mean so much of a Participant's Account attributable to Company Retirement Contributions allocated to such Participant's Account, including all earnings and gains attributable thereto and reduced by all losses attributable thereto, all expenses chargeable there against and all withdrawals and distributions therefrom.

2.18 "Compensation" shall mean for any Employee for any Plan Year:

(a) Except as otherwise provided in this definition, (i) all base pay, overtime pay and annual discretionary performance bonuses (which, by example, shall not include stay payments, signing bonuses, Christmas or holiday bonuses, or retention bonuses, among other items) paid to a Participant by the Employer during a Plan Year; (ii) any amounts deferred or excluded from gross income pursuant to Code section 401(k), 125 (which shall be deemed to include any amounts not available to a Participant in cash in lieu of group health coverage because the Participant is unable to certify that he has other health coverage, so long as the Employer does not request or collect information regarding the Participant's other health coverage as part of the enrollment process for the Employer's health plan), 402(e)(3), 402(h) or 403(b) with respect to employee benefit plans sponsored by the Employer; and (iii) amounts that are not includible in the gross income of the Participant by reason of Code section 132(f)(4).

(b) Compensation shall include the amount of any differential military wage payments paid to the Participant by the Employer with respect to any period of active military service in accordance with Code sections 3401(h) and 414(u)(12).

(c) Only $200,000 of a Participant's Compensation (adjusted in accordance with Code section 401(a)(17)(B)) shall be taken into account for purposes of the Plan.

(d) Notwithstanding anything to the contrary herein, Compensation shall not include (i) amounts paid to a Participant after termination of employment as a cash out or payment of unused vacation pay, sick pay or other paid time off or (ii) other amounts paid to a

Participant after termination of employment, other than payments made within three weeks of the date of termination of employment and which is regular pay that is paid in accordance with the Employer's normal payroll processes and which would have been paid to the Participant prior to the termination of employment if the Participant had continued in the employment of the Employer. By way of example, and not limitation, Compensation shall not include severance pay or severance bonus amounts regardless of when such amounts are paid to a Participant.

(e) For purposes of Section 4.08, "Compensation" shall mean the Compensation, as defined in subsection (a), that the Participant would have received during a period of Qualified Military Service (or, if the amount of such Compensation is not reasonably certain, the Participant's average earnings from the Employer or an Affiliated Company for the 12-month period immediately preceding the Participant's period of Qualified Military Service); provided, however, that the Participant returns to work within the period during which his right to reemployment is protected by law.

(f) For purposes of applying the nondiscrimination limitations of Section 5.02, the Annual Additions limitations of Section 5.04, the top-heavy provisions of ARTICLE X, and the definition of Highly Compensated Employee, Compensation shall mean compensation as defined in Treas. Reg. § 1.415(c)-2(d)(4) (including all of the mandatory and optional items of compensation described in the special timing rules set forth in Treas. Reg. § 1.415(c)-2(e)).

2.19 "Contribution Percentage" shall mean the ratio (expressed as a percentage to the nearest one-hundredth of one percent) of (a) (1) the Matching Contributions allocated to an active Participant's Account for the Plan Year (excluding any Matching Contributions forfeited pursuant to ARTICLE V), plus (2) at the election of the Committee, any portion of the Qualified Nonelective Contributions or Qualified Matching Contributions allocated to the Participant for the Plan Year required or permitted to be taken into account under Code section 401(m), plus (3) in the case of any Highly Compensated Employee who is eligible to participate in more than one plan maintained by the Employer or an Affiliated Company to which employee or matching contributions are made, after-tax employee contributions and employer matching contributions made on his behalf under all such plans (excluding those that are not permitted to be aggregated with the Plan under Treas. Reg. § 1.401(m)-1(b)(4)) for the Plan Year, to (b) the Participant's Compensation for the entire Plan Year, including the portion of the Plan Year when he was an Employee but was not eligible to participate in the Plan. For purposes of determining Contribution Percentages, the Employer or the Committee may take Salary Deferrals into account (excluding Salary Deferrals contributed pursuant to Section 4.01(b)) and Roth 401(k) Contributions, in accordance with Treasury Regulations, so long as the requirements of Section 5.02(a) are met both when the Salary Deferrals used in determining Contribution Percentages are and are not included in determining Actual Deferral Percentages.

2.20 "Disability" shall mean the definition of such term under the federal Social Security Act where the Participant becomes entitled to, and commences receipt of, disability benefits under such Act.

2.21 "Effective Date" shall mean January 1, 2022, the effective date of this amended and restated Plan. The original effective date of the Plan is January 1, 1990.

2.22 "Eligible Borrower" means a Participant or Beneficiary who meets the eligibility requirements of Section 9.01(a) for a loan from the Plan.

2.23 "Eligible Employee" means:

(a) Except as otherwise provided by this definition, each Employee of the Employer.

(b) Eligible Employees do not include: (1) Employees whose terms and conditions of employment are determined through collective bargaining and set forth in a collective bargaining agreement to which the Employer is a party, where the issue of retirement benefits has been the subject of good-faith bargaining, unless such agreement provides for the participation of such Employees in the Plan; (2) any person who is an Employee solely by reason of being a leased employee within the meaning of Code section 414(n) or 414(o); (3) an Employee of the Employer who is a nonresident alien and who does not receive from the Employer any earned income under Code section 911(d)(2) that constitutes income from sources within the United States under Code section 861(a)(3), provided, however, that a nonresident alien who is paid through the Employer's United States payroll, shall not be included in this clause (3); (4) any person whose services have been obtained through a separate contract and who is classified as a fee-for-service worker, leased employee, or an independent contractor or otherwise as a person who is not treated as an employee for purposes of withholding federal employment taxes, regardless of any contrary governmental or judicial determination relating to such employment status or tax withholding obligation; (5) any Employee who is employed by a non-U.S. Affiliated Company and whose services with such non-U.S. Affiliated Company are covered by a second amendment agreement (or similar agreement) with the Employer; and (6) any person who is classified as an "intern" under the Employer's standard personnel policies. If a person described in the preceding sentence is subsequently reclassified as, or determined to be, an employee by the Internal Revenue Service, any other governmental agency or authority, or a court, or if an Employer or Affiliated Company is required to reclassify such an individual as an employee as a result of such reclassification or determination (including any reclassification by an Employer or Affiliated Company in settlement of any claim or action relating to such individual's employment status), such individual shall not become eligible to become a Participant in this Plan by reason of such reclassification or determination.

2.24 "Employee" shall mean any person who is employed by the Employer or an Affiliated Company and who is classified by the Employer or Affiliated Company as a common-law employee. A person who is not otherwise employed by an Employer or Affiliated Company shall be deemed to be employed by any such company if (i) he is a leased employee with respect to whose services such Employer or Affiliated Company is the recipient, within the meaning of Code section 414(n) or 414(o), but to whom Code section 414(n)(5) does not apply, or (ii) under common law agency rules, he has performed services for the Employer and/or a related person (within the meaning of Code section 414(n)(6)) under the direction and control of such Employer and/or related person, pursuant to an agreement between the Employer and any other individual or entity, on a substantially full-time basis for a period of at least one year.

2.25 "Employment Commencement Date" shall mean, with respect to any person, the first date on which that person performs an Hour of Service or, with respect to a person who has incurred a Period of Severance, the first date following the Period of Severance on which that person performs an Hour of Service; provided, however, that for purposes of Sections 4.04 and 4.05, "Employment Commencement Date" shall mean the first date on which that person performs an Hour of Service as an Eligible Employee or, if applicable, the first date following the Period of Severance on which that person performs an Hour of Service as an Eligible Employee.

2.26 "Employer" shall mean the Company and any Affiliated Company as may from time to time participate in the Plan by authorization of the Board of Directors and authorization of the board of directors of such Affiliated Company.

2.27 "ERISA" shall mean the Employee Retirement Income Security Act of 1974, as the same may be amended from time to time, and any successor statute of similar purpose.

2.28 "Highly Compensated Employee" shall mean any Employee who performed services for an Employer or an Affiliated Company during the Plan Year for which a determination is being made (the "Determination Year") and who:

(a) was at any time in the Determination Year or the immediately preceding Determination Year a 5% owner, as defined in Code section 416(i); or

(b) for the immediately preceding Determination Year, received Compensation from the Employer or an Affiliated Company in excess of $80,000, as adjusted by the Secretary of the Treasury in accordance with Code section 414(q).

2.29 "Hour of Service" shall mean, for any Employee, an hour for which he is directly or indirectly compensated, or is entitled to be compensated by the Employer or an Affiliated Company, for the performance of duties, including each hour for which he is absent for Qualified Military Service; provided that the Employee returns to service with the Employer or Affiliated Company within such period as his right to reemployment is protected by law.

2.30 "Investment Committee" shall mean the Retirement Plans Investment Committee appointed by the Compensation Committee of the Board of Directors as provided herein.

2.31 "Investment Fund" shall mean any of the funds established pursuant to Section 6.02 for the investment of the assets of the Trust Fund.

2.32 "Loan Account" shall mean the Account described in Section 9.02 and shall have the meaning set forth therein.

2.33 "Matching Contribution" shall mean an Employer contribution made pursuant to Section 4.05.

2.34 "Matching Contribution Account" shall mean so much of a Participant's Account as consists of amounts attributable to Matching Contributions allocated to such Participant's

Account, including all earnings and gains attributable thereto and reduced by all losses attributable thereto, all expenses chargeable thereagainst and by all withdrawals and distributions therefrom.

2.35 "Named Fiduciary" shall mean the Compensation Committee of the Board of Directors, the Trustee, the Investment Committee, the Committee and, if and to the extent appointed, the Asset Allocation Fiduciary. Each Named Fiduciary shall have only those particular powers, duties, responsibilities and obligations as are specifically delegated to him under the Plan or the Trust Agreement. Any fiduciary, if so appointed, may serve in more than one fiduciary capacity and may also serve in a non-fiduciary capacity.

2.36 "Non-Highly Compensated Employee" shall mean an Employee who is not a Highly Compensated Employee.

2.37 "Normal Retirement Age" shall mean age 65.

2.38 "Participant" shall mean an Eligible Employee who meets the eligibility requirements of Section 3.01 and who becomes a Participant as provided in ARTICLE III hereof, or a person who has an undistributed interest in the Trust Fund.

2.39 "Pension Plan" shall mean the Retirement Plan for Employees of Devon Energy Corporation (or any successor plan) as amended from time to time.

2.40 "Period of Severance" shall mean a 12-consecutive-month period beginning on an Employee's Severance Date or any anniversary thereof and ending on the next succeeding anniversary of such Severance Date during which the Employee is not credited with at least one Hour of Service. In the case of an Employee who is absent from work for maternity or paternity reasons, the 12-consecutive-month period beginning on the first anniversary of the first day of such absence shall not constitute a Period of Severance. For the purposes of this Section, an absence from work for maternity or paternity reasons means an absence (a) by reason of the pregnancy of the Employee, (b) by reason of the birth of a child of the Employee, (c) by reason of the placement of a child with the Employee in connection with the adoption of such child by such Employee, or (d) for purposes of caring for such child for a period beginning immediately following such birth or placement. An Employee's absence from work for maternity or paternity reasons shall be determined in accordance with such uniform and nondiscriminatory procedures as the Committee may establish.

2.41 "Plan" shall mean the Devon Energy Corporation Incentive Savings Plan, as set forth herein, and as the same may from time to time hereafter be amended.

2.42 "Plan Year" means the 12-month period that begins January 1 and ends December 31.

2.43 "QDRO" shall mean a "qualified domestic relations order" within the meaning of section 206(d)(3)(B) of ERISA and Code section 414(p).

2.44 "Qualified Matching Contribution" shall mean a contribution made by an Employer pursuant to Section 4.07.

2.45 "Qualified Matching Contribution Account" shall mean so much of a Participant's Account as consists of amounts attributable to Qualified Matching Contributions allocated to such Participant's Account, including all earnings and gains attributable thereto and reduced by all losses attributable thereto, all expenses chargeable there against and by all withdrawals and distributions therefrom.

2.46 "Qualified Military Service" shall mean any service in the uniformed services (as defined in chapter 43 of title 38, United States Code) where the Participant's right to reemployment is protected by law.

2.47 "Qualified Nonelective Contribution" shall mean a contribution made by an Employer pursuant to Section 4.07.

2.48 "Qualified Nonelective Contribution Account" shall mean so much of a Participant's Account as consists of amounts attributable to Qualified Nonelective Contributions allocated to such Participant's Account, including all earnings and gains attributable thereto and reduced by all losses attributable thereto, all expenses chargeable there against and by all withdrawals and distributions therefrom.

2.49 "Reemployment Commencement Date" shall mean, with respect to any person, the first date on which that person performs an Hour of Service following his or her most recent Severance from Service; provided, however, that for purposes of Sections 4.04 and 4.05, "Reemployment Commencement Date" shall mean the first date on which that person performs an Hour of Service as an Eligible Employee following his or her most recent Severance from Service.

2.50 "Rollover Account" shall mean so much of a Participant's Account as consists of his Rollover Contributions that are not Roth Rollover Contributions, including all earnings and gains attributable thereto, and reduced by all losses attributable thereto, all expenses chargeable thereto and all withdrawals and distributions therefrom.

2.51 "Rollover Contributions" shall mean amounts contributed by an Eligible Employee pursuant to Section 4.06(a).

2.52 "Roth 401(k) Account" shall mean so much of the Participant's Account under the Plan as is comprised of the Roth 401(k) Contributions credited to the Participant under the Plan, including all earnings and gains attributable thereto, and reduced by all losses attributable thereto, all expenses chargeable thereto and all withdrawals and distributions therefrom.

2.53 "Roth 401(k) Contribution" shall mean so much of a Participant's Account as is attributable to Salary Deferrals irrevocably designated by the Participant as Roth 401(k) Contributions pursuant to Section 4.01(a)(6).

2.54 "Roth In-Plan Conversion Account" shall mean so much of a Participant's Account as is composed of amounts converted to Roth 401(k) Contributions pursuant to a Roth in-plan conversion election in accordance with Section 4.06(b)(1) and the requirements of Code section 402A(c)(4) and the regulations and rulings promulgated thereunder, including all earnings and gains attributable thereto, and reduced by all losses attributable thereto, all expenses chargeable thereto and all withdrawals and distributions therefrom.

2.55 "Roth Rollover Account" shall mean so much of a Participant's Account as consists of his Roth Rollover Contributions and amounts attributable to his Rollover Account (other than Roth Rollover Contributions) for which he made a Roth in-plan conversion election under Section 4.06(b)(2), including all earnings and gains attributable thereto, and reduced by all losses attributable thereto, all expenses chargeable thereto and all withdrawals and distributions therefrom.

2.56 "Roth Rollover Contributions" shall mean amounts contributed by an Eligible Employee pursuant to Section 4.06 and attributable to a direct rollover from a designated Roth contribution account (within the meaning of Code section 402A(b)(2)).

2.57 "Salary Deferral Account" shall mean so much of a Participant's Account as consists of his Salary Deferrals, including all earnings and gains attributable thereto, and reduced by all losses attributable thereto, all expenses chargeable thereto and all withdrawals and distributions therefrom.

2.58 "Salary Deferrals" shall mean the portion of a Participant's Compensation (other than Roth 401(k) Contributions) that is reduced in accordance with Sections 4.01(a) and 4.01(b) and with respect to which a corresponding contribution is made to the Plan by the Employer pursuant to Section 4.01(d).

2.59 "Severance from Service" shall mean, for any Employee, his severance from employment, death, retirement, voluntary or involuntary termination, or any other absence or termination that causes him to cease to be an Employee.

2.60 "Severance Date" shall mean the earlier of (a) the date on which an Employee incurs a Severance from Service, or (b) the first anniversary of the date that the Employee is otherwise first absent from work from the Employer and all Affiliated Companies (with or without pay) for any other reason (other than a period of long-term disability under a long-term disability plan or program sponsored by the Employer, or an approved leave of absence granted in writing by the Employer according to a uniform rule applied without discrimination; provided that the Employee returns to the employ of the Employer upon completion of the approved leave); provided, however, that an Employee shall not be considered to have had a Severance Date during a period of Qualified Military Service if he returns to active service with the Employer or an Affiliated Company within such period during which his reemployment rights are protected by law.

2.61 "Spouse" shall mean for periods on and after June 26, 2013 an individual (whether of the same or opposite sex) to whom the Participant is legally married under applicable state or foreign law; provided, however, that from June 26, 2013 through

September 15, 2013, the Participant's marital status, in the case of a same-sex marriage, shall be determined under the laws of the state in which the Participant is domiciled. The term "Spouse" shall also include a former Spouse of a Participant to the extent required by a QDRO.

2.62 "Target Fund" shall have the meaning assigned in Section 6.02(b).

2.63 "Trust Agreement" shall mean the trust instrument executed by the Company and the Trustee for purposes of providing a vehicle for investment of the assets of the Plan.

2.64 "Trustee" shall mean the party or parties so designated pursuant to the Trust Agreement and each of their respective successors.

2.65 "Trust Fund" shall mean all of the assets of the Plan held by the Trustee under the Trust Agreement.

2.66 "Valuation Date" shall mean each business day and such other dates as determined by the Committee.

2.67 "Years of Service" shall mean the service credited to an Employee for purposes of determining an Employee's vested interest in his Account. The following rules shall apply in calculating Years of Service under this Plan.

(a) An Employee shall be credited with full and partial Years of Service for the period from his Employment Commencement Date to his Severance Date. Years of Service shall be calculated on the basis that 12 consecutive months of employment equal one year and nonconsecutive periods of service for vesting purposes that are not disregarded under Section 7.03 shall be aggregated. Fractional periods of a year will be expressed in terms of days. The following additional rules shall apply in calculating Years of Service under this subsection (a):

(1) If an Employee retires, quits or is discharged or otherwise experiences a Severance from Service, the period commencing on the Employee's Severance Date and ending on the first date on which he again performs an Hour of Service shall be taken into account, if such date is within 12 consecutive months of the date on which he last performed an Hour of Service.

(2) If an Employee is absent from work for a reason other than one specified in Section 2.59 and within 12 months of the first day of such absence the Employee retires, quits or is discharged, or otherwise experiences a Severance from Service, the period commencing on the first day of such absence and ending on the first day he again performs an Hour of Service shall be taken into account, if such day is within 12 months of the date his absence began.

(3) If a Participant has a Period of Severance, Years of Service before the Period of Severance shall be taken into account only after he completes one Year of Service following the end of such Period of Severance.

(4) Years of Service shall include employment with an Affiliated Company.

ARTICLE III

PARTICIPATION ELIGIBILITY

3.01 Eligibility to Participate.

(a) Each Eligible Employee as of the Effective Date who was eligible to participate in the Plan immediately before the Effective Date shall be eligible to participate in the Plan as of the Effective Date.

(b) Each other Eligible Employee shall be eligible to participate in the Plan immediately upon his Employment Commencement Date.

3.02 Ineligible Employees. In the event an Employee who is not an Eligible Employee becomes an Eligible Employee, such Employee shall be eligible to participate in the Plan immediately upon becoming an Eligible Employee. In the event a Participant becomes ineligible to participate because he is no longer an Eligible Employee, such Employee shall participate immediately upon again becoming an Eligible Employee.

3.03 Reemployment. An Employee or Participant who incurs a Severance Date shall become eligible to participate in the Plan immediately upon his date of rehire as an Eligible Employee.

3.04 Transfer of Employment. If a Participant transfers employment from one Employer to another Employer, such transfer shall not be deemed a Severance from Service for purposes of the Plan.

3.05 Procedure for and Effect of Participation. Each Participant shall complete such forms, either in writing or via electronic means, and provide such data as are reasonably required by the Committee as a precondition of such participation. Participation shall commence as soon as administratively practicable after the later of the Eligible Employee's Employment Commencement Date and the date on which the Eligible Employee has completed the required enrollment procedures for the Plan. Notwithstanding the foregoing, an Eligible Employee shall become a Participant on his Automatic Enrollment Date if such Eligible Employee is deemed to have made an election to reduce his Compensation as set forth in Section 4.01(a)(1). By becoming a Participant, each Eligible Employee shall for all purposes be deemed conclusively to have assented to the terms and provisions of the Plan and the corresponding Trust Agreement, and all amendments to such instruments.

3.06 Plan Mergers and Asset Transfers. Individuals who have Accounts in the Plan by reason of an asset transfer or plan merger with and into the Plan, but who do not otherwise commence participation in the Plan in accordance with this ARTICLE III shall be subject to the Plan's terms in the same manner as any other Participant who accumulated an Account in the Plan and then experienced a Severance from Service.

ARTICLE IV

CONTRIBUTIONS

4.01 Salary Deferral Contributions and Roth 401(k) Contributions.

(a) Elections.

(1) Subject to Section 3.05 and the limitations set forth herein and in ARTICLE V, each Participant may elect to reduce any Compensation received during a payroll period beginning on and after the effective date of the election, through payroll reductions, by an amount up to 50% and contribute such amounts to the Plan as Salary Deferrals. Any such election shall be denominated in such percentage multiples or dollar amounts as the Committee may prescribe and shall otherwise be subject to such uniform and nondiscriminatory procedures as the Committee may establish. Without limiting the foregoing, the Committee may permit Participants to make separate deferral elections for annual discretionary performance bonuses. Amounts contributed to the Plan as Salary Deferrals shall be contributed to the Participant's Salary Deferral Account.

(2) Each Eligible Employee with an Automatic Enrollment Date shall be deemed to have made an election, effective as of such Automatic Enrollment Date, to reduce his Compensation (effective January 1, 2016, including Compensation attributable to annual discretionary performance bonuses) by 3% and to contribute such amounts to the Plan as Salary Deferrals.

(3) Each Eligible Employee as of November 15, 2015 who (A) is determined by the Committee or its delegate, in accordance with uniform and nondiscriminatory procedures, to have elected to contribute to the Plan as Salary Deferrals and/or Roth Contributions a percentage of Compensation attributable to the annual discretionary performance bonus that is less than the maximum percentage of Matching Contributions for which the Eligible Employee is eligible under Section 4.05(a) and (B) does not otherwise make an affirmative election to the contrary, shall be deemed to have made an election, effective January 14, 2016, to increase the reduction in his or her Compensation attributable to his annual discretionary performance bonus by such amount as the Committee or its delegate determines in accordance with uniform and nondiscriminatory procedures is necessary for the Eligible Employee to receive the maximum Matching Contribution for which the Eligible Employee would be eligible under Section 4.05(a) and to contribute such amount to the Plan as Salary Deferrals (or as Roth 401(k) Contributions if the Eligible Employee has an election in effect as of November 15, 2015 to designate 100% of his Salary Deferrals as Roth 401(k) Contributions); provided, however, that if the Committee or its delegate determines in accordance with uniform and nondiscriminatory procedures that the Eligible Employee is expected to reach the limit described under Section 5.01(a) before December 31, 2016, the Eligible Employee shall not be deemed to have made an election to change his contribution percentages under this Paragraph.

(4) Each Eligible Employee as of February 19, 2016 (other than any Eligible Employee who will cease to be employed by reason of the reduction in force announced by the Company in February 2016) who (A) is determined by the Committee or its delegate, in

accordance with uniform and nondiscriminatory procedures, to have elected to contribute to the Plan as Salary Deferrals and/or Roth Contributions a percentage of Compensation that is less than the maximum percentage of Matching Contributions for which the Eligible Employee is eligible under Section 4.05(a) and (B) does not otherwise make an affirmative election to the contrary, shall be deemed to have made an election, effective April 22, 2016, to contribute a percentage of his or her Compensation (other than Compensation attributable to his annual discretionary performance bonus) to the Plan as Salary Deferrals (or as Roth 401(k) Contributions if the Eligible Employee has an election in effect as of February 19, 2016 to designate 100% of his Salary Deferrals as Roth 401(k) Contributions) that is equal to the maximum percentage of Matching Contributions for which the Eligible Employee is eligible under Section 4.05(a); provided, however, that if the Committee or its delegate determines in accordance with uniform and nondiscriminatory procedures that the Eligible Employee is expected to reach the limit described under Section 5.01(a) before December 31, 2016, the Eligible Employee shall not be deemed to have made an election to change his contribution percentages under this Paragraph.

(5) Each Eligible Employee (before January 1, 2018, each Eligible Employee who has an Employment Commencement date on and after January 1, 2008), other than an Eligible Employee who is eligible to participate in the Devon Energy Corporation Non-Qualified Deferred Compensation Plan (as determined under that plan), as of the Determination Date who (A) is determined to have elected to contribute to the Plan as Salary Deferrals and/or Roth Contributions a percentage of Compensation (including the separate election, if any, for annual discretionary performance bonus amounts) that is less than the maximum percentage of Matching Contributions for which the Eligible Employee is eligible under Section 4.05(a) and (B) does not otherwise make an affirmative election to the contrary, shall be deemed to have made an election, effective the first pay period in January of the following Plan Year (starting with the Plan Year beginning on January 1, 2017), to make or increase the reduction in his or her Compensation (up to the maximum percentage of Matching Contributions for which the Eligible Employee is eligible under Section 4.05(a)) and, effective in February of that Plan Year, if the Participant would still be contributing less than the maximum Matching Contributions, his annual discretionary performance bonus (up to the maximum percentage of Matching Contributions for which the Eligible Employee is eligible under Section 4.05(a)), in aggregate by such amount as is necessary for the Eligible Employee to receive the maximum Matching Contribution for which the Eligible Employee would be eligible under Section 4.05(a) and to contribute such amount to the Plan as Salary Deferrals (or as Roth 401(k) Contributions if the Eligible Employee has an election in effect as of the Determination Date to designate 100% of his Salary Deferrals as Roth 401(k) Contributions); provided, however, that if the Eligible Employee is expected to reach the limit described under Section 5.01(a) before December 31 of the Plan Year for which the deemed election is made, the Eligible Employee shall not be deemed to have made an election to change his contribution percentages under this Paragraph. All determinations made under this Paragraph shall be made by the Committee or its delegate, in accordance with uniform and nondiscriminatory procedures.

(A) For purposes of this Paragraph, "Determination Date" means the date determined by the Committee or its delegate and applied to all Participants each Plan Year.

(6) Each Participant may irrevocably designate, in the manner prescribed by the Benefits Committee, in whole percentages, all or any portion of the Salary Deferrals contributed to the Plan under Section 4.01(a)(1) as Roth 401(k) Contributions. Such amounts shall be contributed, through payroll deductions, to a Participant's Roth 401(k) Account with respect to any payroll period after the date of the election. Any election made under this Section 4.01(a)(6) shall be prospective only.

(b) Additional Salary Deferrals and Roth 401(k) Contributions. Each Participant who has attained, or will attain, age 50 prior to the end of the Participant's taxable year may elect to reduce his Compensation by an amount equal to the lesser of (A) $5,000 (or such other amount as may be applicable under Code section 414(v)) or (B) the excess of the Participant's Compensation over the Salary Deferrals and Roth 401(k) Contributions contributed on the Participant's behalf under subsection (a) above for the Plan Year; provided, however, that Salary Deferrals or Roth 401(k) Contributions shall not be treated as contributed pursuant to this subsection (b) unless the Participant is unable to make additional Salary Deferrals or Roth 401(k) Contributions for the Plan Year under subsection (a) due to limitations imposed by the Plan or applicable federal law. Any such election shall be subject to such uniform and nondiscriminatory procedures as the Committee may establish. Salary Deferrals for the Plan Year under this subsection (b) shall not be subject to the limitations described in ARTICLE V.

(c) Limitation on Salary Deferral Elections and Roth 401(k) Contributions. The Salary Deferrals and/or Roth 401(k) Contributions set forth in a Participant's elections shall be tentative and shall become final only after the Employer or the Committee has made such adjustments thereto as they (or either of them) deem necessary to maintain the qualified status of the Plan and to satisfy all applicable requirements of Code sections 401(k), 401(m) and/or 414(v).

(d) Contribution and Allocation of Salary Deferrals and Roth 401(k) Contributions. The Employer shall contribute to the Plan with respect to each Plan Year an amount equal to the Salary Deferrals and/or Roth 401(k) Contributions of its Eligible Employees for such Plan Year, as determined pursuant to Salary Deferral and Roth 401(k) Contributions elections in force pursuant to this Section. There shall be allocated to the Salary Deferral Account and/or Roth 401(k) Account of each Participant the Salary Deferrals and/or Salary Deferrals designated as Roth 401(k) Contributions contributed by the Employer to the Plan with respect to that Participant.

4.02 Increase in or Reduction of Salary Deferrals and/or Roth 401(k) Contributions. An active Participant may, in the manner prescribed by the Committee, elect to increase or reduce the rate of his Salary Deferrals and/or Roth 401(k) Contributions (including the cessation or recommencement of such Salary Deferrals and/or Roth 401(k) Contributions) within the limits described in Section 4.01. Any new election made pursuant to this Section shall be prospectively effective as soon as administratively feasible following the Committee's receipt of the election and shall be subject to such uniform and nondiscriminatory procedures as the Committee may establish.

4.03 Combined Limit on Contributions. The Committee, in its sole discretion, may limit the maximum amount of the Salary Deferrals, Roth 401(k) Contributions and Matching Contributions for all Participants or any class of Participants to the extent it determines that such limitation is appropriate or that such limitation is necessary to comply with the applicable requirements of Code sections 401(a), (k) and (m).

4.04 Company Retirement Contributions. The Employer shall make Company Retirement Contributions with respect to each Participant as set forth in this Section 4.04. A Company Retirement Contributions Eligible Participant is not required to make Salary Deferrals and/or Roth 401(k) Contributions in order to be eligible to receive Company Retirement Contributions.

(a) Company Retirement Contribution Rate. With respect to each Participant, the Employer shall make a Company Retirement Contribution to the Plan equal to 8% of such Participant's Compensation for the calendar quarter of the Plan Year (i.e., the quarters ending March 31, June 30, September 30 and December 31).

(b) Allocation of Company Retirement Contributions. Company Retirement Contributions shall be contributed to the Plan by the Employer and allocated to the Company Retirement Contribution Accounts of the Participants at such time or times and in such amounts as the Employer deems to be appropriate, in its sole discretion, and in accordance with nondiscriminatory administrative procedures. A Participant must be an Employee on the last day of the applicable quarter of the Plan Year in order to be eligible to receive a Company Retirement Contribution for that quarter of the Plan Year.

4.05 Matching Contributions.

(a) Matching Contributions and Matching Rates. Subject to the limitations described in ARTICLE V, with respect to each Plan Year, the Employer may contribute to the Plan, on behalf of each Participant who has made Salary Deferrals and/or Roth 401(k) Contributions, a Matching Contribution in an amount as the Employer determines, in its sole discretion, equal to a percentage of such Participant's Salary Deferrals and/or Roth 401(k) Contributions under Section 4.01(a) for the Plan Year. The Matching Contribution may be subject to such other limitations as the Employer deems appropriate for such Plan Year. No minimum Hours of Service are required for a Participant to be eligible for a Matching Contribution. The matching rate that applies to a Participant shall be determined on the basis of the Participant's classification as of the first day of the applicable Plan Year to which the matching rate shall apply; provided, however, that if a Participant's classification is projected to change during the Plan Year, such change in classification shall be deemed to occur on the first day of the applicable Plan Year to which the matching rate shall apply. The matching rates shall be based on the Participant's classification, the eligibility for which shall be determined by the Employer in a uniform and nondiscriminatory manner, as follows:

(1) A Participant who has attained the fifth anniversary of the later of his or her (i) Employment Commencement Date and (ii) Reemployment Commencement Date shall receive a Matching Contribution equal to 100% of such Participant's Salary Deferrals

and/or Roth 401(k) Contributions, so long as such Salary Deferrals and/or Roth 401(k) Contributions do not exceed 6% of the Participant's Compensation for the Plan Year;

(2) A Participant who has not yet attained the fifth anniversary of the later of his or her (i) Employment Commencement Date and (ii) Reemployment Commencement Date shall receive a Matching Contribution equal to 100% of such Participant's Salary Deferrals and/or Roth 401(k) Contributions, so long as such Salary Deferrals and/or Roth 401(k) Contributions do not exceed 3% of the Participant's Compensation for the Plan Year; and

(3) Notwithstanding anything in Paragraphs (1) or (2) to the contrary, effective January 1, 2022, a Participant who has the later of his (i) Employment Commencement Date or (ii) Reemployment Commencement Date prior to January 1, 2022 shall receive a Matching Contribution equal to 100% of such Participant's Salary Deferrals and/or Roth 401(k) Contributions, so long as such Salary Deferrals and/or Roth 401(k) Contributions do not exceed 6% of the Participant's Compensation for the Plan Year.

(b) True-Up Matching Contribution. In the event that the Employer makes Matching Contributions more frequently than once per Plan Year (and at least quarterly), the Employer shall make a "True-Up Matching Contribution" to a Participant for each calendar quarter of the Plan Year (i.e., the quarters ending March 31, June 30, September 30 and December 31) in which the Employer makes Matching Contributions. The True-Up Matching Contribution shall be equal to the amount by which, if any, the sum of all prior Matching Contributions made during the applicable quarter of the Plan Year on behalf of the Participant is less than the amount of the Matching Contribution that would have been made on behalf of the Participant if the Matching Contribution had been calculated and made only once at the end of the applicable quarter of the Plan Year. A Participant must be an Employee on the last day of the applicable quarter of the Plan Year in order to be eligible to receive a True-Up Matching Contribution for that quarter of the Plan Year.

(c) Allocation. Matching Contributions made pursuant to subsection (a) shall be contributed to the Plan by the Employer and allocated to the Matching Contribution Accounts of the Participants who are eligible to share in such contributions at such time as the Employer deems to be appropriate, in its sole discretion. If Matching Contributions are contributed to the Plan and allocated prior to the end of the Plan Year, such allocations shall be made to the Matching Contribution Accounts of the Participants who are otherwise eligible to receive them regardless of whether such Participant has a Severance from Service. True-Up Matching Contributions made pursuant to subsection (b) shall be contributed to the Plan by the Employer and allocated to the Matching Contribution Accounts of the Participants who are eligible to receive such contributions, as determined under subsection (b), as the Employer deems to be appropriate, in its sole discretion.

4.06 Rollover Contributions and Roth In-Plan Conversions.

(a) Rollover Contributions. Subject to such uniform and nondiscriminatory procedures established by the Committee, the Plan shall accept, as "Rollover Contributions" made on behalf of any Eligible Employee, cash equal to (1) all or a portion of the amount (excluding after-tax contributions) received by the Eligible Employee as a distribution from an

eligible rollover plan as defined in Section 8.08, or (2) an amount (excluding after-tax contributions) transferred directly to the Plan (pursuant to Code section 401(a)(31)) on the Eligible Employee's behalf by the trustee of an eligible rollover plan as defined in Section 8.08, but only if the amount qualifies as a rollover as defined in Code section 402 (or Code section 408, with respect to a rollover from an individual retirement account under Code section 408(b)). Rollover Contributions may include Roth Rollover Contributions but only to the extent that such amounts are transferred directly to the Plan on the Eligible Employee's behalf by the trustee of an "applicable retirement plan" (as described in Code section 402A(e)(1)) and only to the extent that the rollover is permitted under the rules of Code section 402(c). If the amount received does not qualify as a rollover, the amount (plus any earnings attributable thereto) shall be refunded to the Eligible Employee. To the extent not attributable to Roth Rollover Contributions, Rollover Contributions shall be allocated to the Eligible Employee's Rollover Account and invested in accordance with the provisions of ARTICLE VI. A Rollover Contribution that is a Roth Rollover Contribution shall be allocated to the Eligible Employee's Roth Rollover Account and invested in accordance with the provisions of ARTICLE VI; provided, however, that any such Roth Rollover Contribution must be accompanied by a statement from the plan administrator of the distributing plan indicating either (i) that the Roth Rollover Contribution is a qualified distribution within the meaning of Code section 402A or (ii) the first year of the five-taxable-year period for the Eligible Employee and the portion of the distribution attributable to basis.

(b) Roth In-Plan Conversions.

(1) Roth In-Plan Conversions of Accounts other than Rollover Accounts. Subject to the requirements of Code section 402A(c)(4) and regulations and rulings promulgated thereunder, a Participant may convert all or a portion of the non-Roth amounts in his vested Accounts, other than amounts in his Rollover Account, to Roth 401(k) Contributions, subject to the conditions set forth herein, by making a Roth in-plan conversion election. A Participant may make a Roth in-plan conversion election in accordance with the rules and procedures established by the Committee for such purpose. Amounts converted pursuant to this paragraph (1) shall be held in the Participant's Roth In-Plan Conversion Account, or one or more subaccounts established for such purposes. Amounts in the Participant's Roth In-Plan Conversion Account, and any earnings on those amounts, shall retain the same distribution restrictions, withdrawal rights and characteristics (including by way of example, and not limitation, treatment as a Salary Deferral or Matching Contribution for purposes of ARTICLE V) that applied to the amount prior to its conversion.

(2) Roth In-Plan Conversions of Rollover Account. Subject to the requirements of this Section 4.06(b) and Code section 402A(c)(4) and the regulations and rulings promulgated thereunder, a Participant may convert all or a portion of the amounts in his Rollover Account to Roth Rollover Contributions. A Participant may make a Roth in-plan conversion election at any time following notification to the Committee in accordance with the rules and procedures established by the Committee for such purpose. Amounts converted pursuant to this paragraph (2) shall be held in the Participant's Roth Rollover Account.

4.07 Qualified Nonelective Contributions and Qualified Matching Contributions.

(a) Qualified Nonelective Contributions. Subject to the limitations described in ARTICLE V, the Employer may, in its discretion, make "Qualified Nonelective Contributions" for a Plan Year, which shall be allocated within 12 months after the close of the Plan Year for which such contributions are related to the Qualified Nonelective Contribution Accounts of some or all of those active Participants who are not Highly Compensated Employees for the Plan Year, as determined by the Employer at the time such contributions are made, in an amount necessary to satisfy at least one of the tests in Section 5.02. Notwithstanding the foregoing, if Actual Deferral Percentages or Contribution Percentages of Participants who are not Highly Compensated Employees computed for the prior Plan Year are used in conducting the tests set forth in Section 5.02 for a Plan Year, any Qualified Nonelective Contributions for the Plan Year shall be allocated no later than the end of the Plan Year being so tested. To the extent permitted by applicable law, Qualified Nonelective Contributions for a Plan Year shall be allocated in one of the following methods:

(1) In the ratio in which each such Non-Highly Compensated Employee's Compensation for the Plan Year for which the Qualified Nonelective Contribution is being made bears to the total such Compensation of all such Non-Highly Compensated Employees for such Plan Year.

(2) To the lowest-paid Participant or Participants, who are Non-Highly Compensated Employees, in an amount equal to the lesser of (A) the amount that, when allocated to the Participant (alone, or in conjunction with either an allocation of Qualified Matching Contributions or a return of contributions under Section 5.03(a) or 5.03(b)), causes the nondiscrimination tests described in Sections 5.02(a) and 5.02(b) to be satisfied for the Plan Year, (B) the amount that is equal to the maximum Annual Addition permitted under Section 5.04 that may be contributed for the Participant for the Plan Year, or (C) for Plan Years beginning on or after January 1, 2006, the amount permitted to be allocated under Treas. Reg. § 1.401(k)-2(a)(6) or § 1.401(m)-2(a)(6), as applicable.

(b) Qualified Matching Contributions. The Employer may, in its sole discretion, elect to make "Qualified Matching Contributions" in any amount to satisfy any of the nondiscrimination tests described in Sections 5.02(a) and/or 5.02(b) for a Plan Year, which shall be allocated within 12 months after the close of the Plan Year to which such contribution relates. Notwithstanding the foregoing, if Actual Deferral Percentages or Contribution Percentages of Participants who are not Highly Compensated Employees computed for the prior Plan Year are used in conducting the tests set forth in Section 5.02 for a Plan Year, any Qualified Matching Contributions for the Plan Year shall be allocated no later than the end of the Plan Year being so tested. Qualified Matching Contributions for a Plan Year shall be allocated to the Qualified Matching Contribution Accounts of Participants who are Non-Highly Compensated Employees and who would be eligible for an allocation of Matching Contributions in accordance with Section 4.05 and in the ratio in which the Salary Deferrals for such Plan Year of each Participant who is a Non-Highly Compensated Employee and who is eligible for a Matching Contribution for such Plan Year bear to the total Salary Deferrals of all such Non-Highly Compensated Employees for such Plan Year.

(c) Other Corrections. Notwithstanding the foregoing, Qualified Nonelective Contributions and Qualified Matching Contributions may also be made to facilitate correction under any Internal Revenue Service correction program.

4.08 Contributions with Respect to Military Service.

(a) Salary Deferral Contributions and Roth 401(k) Contributions. A Participant who returns to employment with the Employer or an Affiliated Company following a period of Qualified Military Service shall be permitted to make additional Salary Deferrals and/or Roth 401(k) Contributions, within the limits described in Section 4.01, up to an amount equal to the Salary Deferrals and/or Roth 401(k) Contributions that the Participant would have been permitted to contribute to the Plan if he had continued to be employed and received Compensation during the period of Qualified Military Service. Salary Deferrals and Roth 401(k) Contributions under this Section may be made during the period that begins on the date such Participant returns to employment and which has the same length as the lesser of (i) three multiplied by the period of Qualified Military Service and (ii) five years.

(b) Company Retirement Contributions. The Employer shall contribute to the Plan, on behalf of each Participant who returns from Qualified Military Service as described in subsection (a) and who is a Participant, an amount equal to the Company Retirement Contributions that would have been required under Section 4.04 had such Participant continued to be employed and received Compensation during the period of Qualified Military Service.

(c) Matching Contributions. The Employer shall contribute to the Plan, on behalf of each Participant who has made Salary Deferrals and/or Roth 401(k) Contributions under subsection (a), an amount equal to the Matching Contribution that would have been required under Section 4.05 had such Salary Deferrals and/or Roth 401(k) Contributions been made during the period of Qualified Military Service.

(d) Qualified Nonelective Contributions and Qualified Matching Contributions. The Employer shall contribute to the Plan, on behalf of each Participant who returns from Qualified Military Service as described in subsection (a), an amount equal to the Qualified Nonelective Contributions or Qualified Matching Contributions that would have been required under Section 4.07 had such Participant continued to be employed and received Compensation during the period of Qualified Military Service.

(e) Limitations on Contributions. To the extent required by Code sections 414(u) and 414(v), the Salary Deferrals, Roth 401(k) Contributions, Company Retirement Contributions, Matching Contributions, Qualified Nonelective Contributions and Qualified Matching Contributions made under this Section shall be subject to the limitations described in ARTICLE V for the Plan Year to which such contributions relate.

(f) Reduction of Amounts Contributed During Period of Qualified Military Service. Notwithstanding anything in this Section to the contrary, any Salary Deferral, Roth 401(k) Contribution, Company Retirement Contribution, Matching Contribution, Qualified Nonelective Contribution or Qualified Matching Contribution made to the Plan on behalf of a Participant while such Participant is on a period of Qualified Military Service shall reduce any

Salary Deferral, Roth 401(k) Contribution, Company Retirement Contribution, Matching Contribution, Qualified Nonelective Contribution or Qualified Matching Contribution that can be made on behalf of such Participant under the terms of this Section if the Participant returns to employment with the Employer or an Affiliated Company following a period of Qualified Military Service.

4.09 Timing of Contributions. Company Retirement Contributions and Matching Contributions (including True-Up Matching Contributions) for any Plan Year under this Article shall be made no later than the last date on which amounts so paid may be deducted for federal income tax purposes for the taxable year of the Employer in which the Plan Year ends. Except as otherwise set forth in Section 4.07, Qualified Nonelective Contributions and Qualified Matching Contributions for any Plan Year shall be made no later than 12 months after the close of the Plan Year to which the contributions relate. Amounts contributed as Salary Deferrals and Roth 401(k) Contributions shall be remitted to the Trustee as soon as administratively practicable following the month in which such contributions were withheld from the Participant's Compensation. The requirements of this Section shall not apply to contributions made pursuant to Section 4.08 with respect to Qualified Military Service.

4.10 Contingent Nature of Contributions. Each contribution made by the Employer pursuant to the provisions of this Article is made expressly contingent on its deductibility for federal income tax purposes for the fiscal year with respect to which such contribution is made, and no such contribution shall be made for any year to the extent it would exceed the deductible limit for such year as set forth in Code section 404. Contributions by the Employer or any Affiliated Company for any Employee who should have been included as a Participant but was erroneously omitted, contributions necessary to satisfy the top-heavy requirements of Code section 416, and contributions for reemployed Participants made to restore the undistributed portion of the reemployed Participant's account balance are not conditioned upon the deductibility of the contribution to the Employer or Affiliated Company.

4.11 Exclusive Benefit; Refund of Contributions. All contributions made to the Plan are made for the exclusive benefit of the Participants and their Beneficiaries, and such contributions shall not be used for, or diverted to, purposes other than for the exclusive benefit of the Participants and their Beneficiaries (including the costs of maintaining and administering the Plan and corresponding trust). Notwithstanding the foregoing, to the extent that such refunds do not, in themselves, deprive the Plan of its qualified status, refunds of contributions shall be made to the Employer under the following circumstances and subject to the following limitations:

(a) Initial Nonqualification. If, upon the timely filing of a determination letter application on the qualified status of the Plan, the Plan is determined not to initially satisfy the qualification requirements of Code section 401(a), and if the Employer declines to amend the Plan to satisfy such qualification requirements of Code section 401(a), contributions made prior to the determination that the Plan has failed to qualify shall be returned to the Employer within one year of such determination.

(b) Disallowance of Deduction. To the extent that a federal income tax deduction is disallowed, in whole or in part, for any contribution made by an Employer, or such

contribution is otherwise nondeductible and recovery thereof is permitted, the Trustee shall refund to the Employer the amount so disallowed within one year of the date of such disallowance or as otherwise permitted by applicable administrative rules.

(c) Mistake of Fact. In the case of a contribution that is made in whole or in part by reason of a mistake of fact, so much of the Employer contribution as is attributable to the mistake of fact shall be returnable to the Employer upon demand, upon presentation of evidence of the mistake of fact to the Trustee and of calculations as to the impact of such mistake. Demand and repayment must be effectuated within one year after the payment of the contribution to which the mistake applies.

In the event that any refund is paid to the Employer hereunder, such refund shall be made without regard to net investment gains attributable to the contribution, but shall be reduced to reflect net investment losses attributable thereto.

ARTICLE V

LIMITATIONS ON CONTRIBUTIONS

5.01 Calendar Year Limitation on Salary Deferrals and Roth 401(k) Contributions.

(a) Notwithstanding anything contained herein to the contrary, Salary Deferrals and Roth 401(k) Contributions made on behalf of an active Participant under this Plan together with elective deferrals (as defined in Code section 402(g)) and Roth deferrals made under any other plan or arrangement maintained by the Employer or an Affiliated Company shall not exceed such amount as is applicable for a calendar year under Code section 402(g) and the Treasury Regulations thereunder for any calendar year (including, if applicable, the amount of Salary Deferrals permitted to be made pursuant to Section 4.01(b) of the Plan for a calendar year as catch-up contributions under Code section 414(v)). Participants who formerly participated in another plan not maintained by the Employer or an Affiliated Company prior to their Employment Commencement Date may notify the Committee of such prior plan participation and shall provide documentation of any contributions credited under such prior plan. Furthermore, should a Participant claim that his Salary Deferrals and/or Roth 401(k) Contributions under this Plan when added to his other elective deferrals under any other plan or arrangement (whether or not maintained by an Employer or an Affiliated Company) exceed the limit imposed by Code section 402(g) for the calendar year in which the deferrals occurred, the Committee shall distribute, by April 15 of the following calendar year, the amount of Salary Deferrals (including, if applicable, Salary Deferrals made pursuant to Section 4.01(b) as catch-up contributions) and/or Roth 401(k) Contributions specified in the Participant's claim, plus income thereon determined in the manner described in Section 5.03(c) or recharacterize such excess Salary Deferrals as Salary Deferrals contributed pursuant to Section 4.01(b) to the extent permitted by Code section 414(v) and regulations issued thereunder. The Participant's claim shall be in writing and shall be submitted to the Committee prior to March 1 following the calendar year in which such deferrals occurred. A Participant shall be deemed to have made a claim for distribution of excess deferrals from the Plan to the extent that his Salary Deferrals and/or Roth 401(k) Contributions together with his elective deferrals under any other plan or

arrangement maintained by the Employer or an Affiliated Company exceed the limit imposed by Code section 402(g) for the calendar year. For purposes of determining the necessary reduction, (1) Salary Deferrals previously distributed pursuant to Section 5.03(a) or returned to the Participant pursuant to Section 5.04 shall be treated as distributed under this Section, and (2) Salary Deferrals not taken into account in determining Matching Contributions under Section 4.05 shall be reduced first.

(b) In the event a Participant receives a distribution of excess Salary Deferrals and/or Roth 401(k) Contributions pursuant to subsection (a), the Participant shall forfeit any Matching Contributions (plus income thereon determined as described in Section 5.03(c)) allocated to the Participant by reason of the distributed Salary Deferrals and/or Roth 401(k) Contributions. Amounts forfeited shall be used first to reduce future Matching Contributions made pursuant to Section 4.05 and then Company Retirement Contributions made pursuant to Section 4.04.

5.02 Nondiscrimination Limitations on Salary Deferrals, Roth 401(k) Contributions, and Matching Contributions.

(a) Salary Deferral and Roth 401(k) Contribution Limitations. With respect to Salary Deferrals for any Plan Year (excluding Salary Deferrals contributed pursuant to Section 4.01(b)) and Roth 401(k) Contributions, one of the following tests must be satisfied:

(1) The Average Actual Deferral Percentage for active Participants who are Highly Compensated Employees for the Plan Year shall not exceed the Average Actual Deferral Percentage for all other active Participants for the Plan Year multiplied by 1.25; or

(2) The Average Actual Deferral Percentage for active Participants who are Highly Compensated Employees for the Plan Year shall not exceed the Average Actual Deferral Percentage for all other active Participants for the Plan Year multiplied by two; provided that the Average Actual Deferral Percentage for such Highly Compensated Employees does not exceed the applicable Average Actual Deferral Percentage for all other active Participants by more than two percentage points.

(b) Matching Contribution Limitations. With respect to Matching Contributions for any Plan Year, one of the following tests must be satisfied:

(1) The Average Contribution Percentage for active Participants who are Highly Compensated Employees for the Plan Year shall not exceed the Average Contribution Percentage for all other active Participants for the Plan Year multiplied by 1.25; or

(2) The Average Contribution Percentage for active Participants who are Highly Compensated Employees for the Plan Year shall not exceed the Average Contribution Percentage for all other active Participants for the Plan Year multiplied by two; provided that the Average Contribution Percentage for such Highly Compensated Employees does not exceed the applicable Average Contribution Percentage for all other active Participants by more than two percentage points.

(c) For purposes of subsections (a) and (b), this Plan shall be aggregated and treated as a single plan with other plans maintained by the Employer or an Affiliated Company to the extent that this Plan is aggregated with any such other plan for purposes of satisfying Code section 410(b) (other than Code section 410(b)(2)(A)(ii)).

(d) If the Committee elects to apply Code section 410(b)(4)(B) in determining whether Salary Deferrals and any Qualified Nonelective Contributions and Qualified Matching Contributions treated as Salary Deferrals under Section 4.07 meet the requirements of Section 5.02(a) or determining whether Matching Contributions (other than Qualified Matching Contributions treated as Salary Deferrals for the Plan Year under Section 4.07) meet the requirements of Section 5.02(b), the Committee may either exclude from consideration all Participants (other than Highly Compensated Employees) who have not met the minimum age and service requirements of Code section 410(a)(1)(A), or disaggregate the Employees who have not met such minimum age and service requirements and test them separately.

(e) The determination and treatment of the Salary Deferrals, Roth 401(k) Contributions, Matching Contributions, Qualified Nonelective Contributions, and Qualified Matching Contributions, Actual Deferral Percentage and Contribution Percentage of any Participant shall satisfy such other requirements as may be prescribed by the Secretary of the Treasury.

5.03 Correction of Discriminatory Contributions.

(a) If the nondiscrimination tests of Section 5.02(a) are not satisfied with respect to Salary Deferrals for any Plan Year, the Committee shall (1) determine the amount by which the Actual Deferral Percentage for the Highly Compensated Employee or Employees with the highest Actual Deferral Percentage for the Plan Year would need to be reduced to comply with the limit in Section 5.02(a); (2) convert the excess percentage amount determined under clause (1) into a dollar amount; and (3) reduce the Salary Deferrals of the Highly Compensated Employee or Employees with the greatest dollar amount of Salary Deferrals by the lesser of (A) the amount by which the Highly Compensated Employee's Salary Deferrals exceeds the Salary Deferrals of the Highly Compensated Employee with the next highest dollar amount of Salary Deferrals or (B) the amount of the excess dollar amount determined under clause (2). This process shall be repeated until the Salary Deferrals of Highly Compensated Employees have been reduced by an amount equal to the excess dollar amount determined under clause (2). The Salary Deferrals of any Highly Compensated Employee which must be reduced pursuant to this subsection (a) shall be reduced (i) first, by distributing Salary Deferrals not taken into account in determining Matching Contributions under Section 4.05, and (ii) next by distributing Salary Deferrals not described in clause (i), within 12 months of the close of the Plan Year with respect to which the reduction applies, and the provisions of Section 5.01(b) regarding the forfeiture of related Matching Contributions shall apply. For purposes of determining the necessary reduction, Salary Deferrals previously distributed pursuant to Section 5.01 shall be treated as distributed under this Section 5.03(a) and Salary Deferrals contributed pursuant to Section 4.01(b) shall not be taken into account. Notwithstanding the foregoing, at the election of the Committee and in accordance with rules uniformly applicable to all affected Participants, the Actual Deferral Percentage reduction described in this Section may be accomplished, in whole or

in part, by recharacterizing excess Salary Deferrals as Salary Deferrals contributed pursuant to Section 4.01(b) to the extent permitted by Code section 414(v) and regulations issued thereunder. For purposes of this subsection (a), Roth 401(k) Contributions shall be treated in the same manner as Salary Deferrals. To the extent the Participant made both Salary Deferrals and Roth 401(k) Contributions to the Plan, excess amounts shall be distributed from the Participant's Account(s) in the following order: Salary Deferral Account, Roth In-Plan Conversion Account (to the extent such amounts are attributable to a Roth in-plan conversion of Salary Deferrals for the Plan Year), and Roth 401(k) Contribution Account.

(b) If the nondiscrimination tests of Section 5.02(b) are not satisfied with respect to Matching Contributions for any Plan Year, the Committee shall (1) determine the amount by which the Actual Contribution Percentage for the Highly Compensated Employee or Employees with the highest Actual Contribution Percentage for the Plan Year would need to be reduced to comply with the limit in Section 5.02(b); (2) convert the excess percentage amount determined under clause (1) into a dollar amount; and (3) reduce the excess contributions of the Highly Compensated Employee or Employees with the greatest dollar amount of Matching Contributions by the lesser of (A) the amount by which the dollar amount of the affected Highly Compensated Employee's Matching Contributions exceeds the dollar amount of the Matching Contributions of the Highly Compensated Employee with the next highest dollar amount of Matching Contributions or (B) the amount of the excess dollar amount determined under clause (2). This process shall be repeated until the Matching Contributions of the Highly Compensated Employees has been reduced by an amount equal to the excess dollar amount determined under clause (2). The Matching Contributions of any Highly Compensated Employee that must be reduced pursuant to this subsection (b) shall be reduced by distributing Matching Contributions (or forfeiting such Matching Contributions if the Participant is not vested in such amounts) first from the Participant's Matching Contribution Account, and second, if applicable, from the Participant's Roth In-Plan Conversion Account (to the extent such amounts are attributable to a Roth in-plan conversion of Matching Contributions for the Plan Year), within 12 months of the close of the Plan Year with respect to which the reduction applies. Amounts forfeited under this subsection (b) shall be applied in the following order of priority: (i) first, to restore a reemployed Participant's Account as provided under Section 7.04 and to restore the Account of a Participant who was unlocatable as provided under Section 16.13, (ii) next, to reduce future Matching Contributions made pursuant to Section 4.05, (iii) next, to reduce future Company Retirement Contributions made pursuant to Section 4.04, (iv) next, to satisfy the top-heavy minimum allocation provisions under Section 10.03, (v) next, to provide Qualified Nonelective Contributions or Qualified Matching Contributions under Section 4.07, and (vi) last, to reduce the reasonable expenses of the administration of the Plan.

(c) Any distribution, recharacterization or forfeiture of Salary Deferrals, Roth 401(k) Contributions or Matching Contributions necessary pursuant to subsection (a) or (b) shall include a distribution or forfeiture of the income, if any, allocable to such contributions. Such income shall be equal to the allocable gain or loss for the Plan Year (determined by multiplying the income allocable to the Participant's Salary Deferrals, Roth 401(k) Contributions or Matching Contributions, as applicable, for the Plan Year by a fraction, the numerator of which is the Participant's excess Salary Deferrals, Roth 401(k) Contributions or Matching Contributions, as applicable, for the Plan Year and the denominator is the sum of the Participant's Salary Deferral

Account, Roth In-Plan Conversion Account, Roth 401(k) Account or Matching Contribution Account, as applicable, as of the beginning of the Plan Year plus any contributions made to the applicable Account during the Plan Year).

(d) Notwithstanding anything in this Section to the contrary, for any Highly Compensated Employee who is an active Participant in the Plan while eligible to participate in any other qualified retirement plan maintained by the Employer or an Affiliated Company (excluding any such plan which is not permitted to be aggregated with the Plan pursuant to Treas. Reg. § 1.401(k)-1(b)(4)) under which the Employee has made employee contributions or elective deferrals, or is credited with employer matching contributions for the year, the Committee shall coordinate corrective actions under the Plan and such other plan for the year.

(e) In lieu of or in addition to the actions described in subsections (a) through (d) of this Section, to satisfy the tests in Section 5.02, the Employer may make Qualified Nonelective Contributions or Qualified Matching Contributions as described in Section 4.07.

5.04 Annual Additions Limitations. In no event shall the Annual Addition on behalf of any Participant for any Plan Year exceed the lesser of:

(a) $40,000, or such other amount as may be specified in section 415(c)(1)(A) of the Code, as adjusted in accordance with section 415(d) of the Code, or

(b) 100% of such Participant's Compensation for the Plan Year.

The percentage limitation referred to above shall not apply to any contribution for medical benefits within the meaning of section 401(h) or 419A(f)(2) of the Code which is otherwise treated as an Annual Addition under section 415(l)(1) or 419A(d)(2) of the Code.

(c) Notwithstanding anything herein to the contrary, any Annual Additions that are determined to be excess under this Section shall only be corrected as permissible under applicable guidance, including the Internal Revenue Service's Employee Plans Compliance Resolution System.

ARTICLE VI

INVESTMENT AND VALUATION OF TRUST FUND; MAINTENANCE OF ACCOUNTS

6.01 Investment of Assets. All existing assets of the Trust Fund and all future contributions shall be invested by the Trustee in accordance with the terms of the Trust Agreement and Section 6.02.

6.02 Investment in Investment Funds.

(a) General. The Investment Committee shall designate the available Investment Funds to which a Participant shall direct the investment of amounts credited to his Account. The Investment Committee, in its sole discretion, may from time to time designate

additional Investment Funds of the same or different types or modify, cease to offer or eliminate any existing Investment Funds. A portion of the Trust Fund, as determined by the Investment Committee, may be held in the form of uninvested cash or in a liquid asset account for temporary periods pending reinvestment or distribution, or for other liquidity purposes.

(b) Default Investment Funds. The Investment Committee shall designate an Investment Fund to serve as: (i) the "default" Investment Fund for purposes of Participants (by reason of the automatic enrollment provisions of Section 4.01 or otherwise) who do not make an affirmative election in accordance with Section 6.03 to invest all or a portion of their Account among the Plan's available Investment Funds, and (ii) the Plan's "qualified default investment alternative" for purposes of section 404(c)(5) of ERISA.

6.03 Investment Elections. Each Participant, upon commencing or recommencing active participation under Section 4.01, shall direct, in the form and at the time prescribed by the Committee, the investment of contributions made on his behalf in any one or more of the available Investment Funds in accordance with such uniform and nondiscriminatory procedures and limitations as the Committee may prescribe. Without limiting a Participant's rights to reallocate his Company Retirement Contribution Account pursuant to Section 6.05, the Committee may prescribe the Investment Funds that are available for the investment of the Company Retirement Contributions at the time they are contributed to the Plan and allocated to the Company Retirement Contribution Accounts of the Participants.

6.04 Change of Election. Each Participant may change his investment direction with respect to the investment of his future contributions at the time or times prescribed by the Committee, by making a new election in such form, at such time in advance, and in accordance with other uniform and nondiscriminatory procedures and subject to such restrictions as the Committee or its delegate may prescribe.

6.05 Transfers Between Investment Funds. Subject to such limits as imposed by the Investment Committee, a Participant may reallocate his entire Account among and between the available Investment Funds at any time. Each Participant may elect to make such transfers at the time or times prescribed by the Committee, by making a transfer election in such form, at such time in advance, and in accordance with other uniform and nondiscriminatory procedures and subject to such restrictions as the Committee or its delegate may prescribe or as may otherwise be imposed by the Investment Fund(s) involved in the transfer.

6.06 Individual Accounts. There shall be maintained on the books of the Plan with respect to each Participant, an Account with such separate subaccounts as are necessary to account for the types and amounts of contributions made to and by the Participant under the Plan. Each such Account and subaccount shall separately reflect the Participant's interest in each Investment Fund relating to such Account and subaccount. Each Participant shall receive, at periodic intervals, a statement of his Account showing the balances in each Investment Fund. A Participant's interest in any Investment Fund shall be determined and accounted for based on his beneficial interest in any such fund, and no Participant shall have any interest in or rights to any specific asset of any Investment Fund.

6.07 Valuation. As of each Valuation Date, the Trustee shall adjust the net credit balance of each Participant's Account, in the respective investment fund of the Trust Fund, upward or downward, pro rata, so that the aggregate of such unit credit balances will equal the net worth of each Investment Fund of the Trust Fund as of that Valuation Date, using fair market values as determined by the Trustee.

6.08 Voting and Tender of Mutual Fund Shares. To the extent that shares of one or more of the regulated investment companies offered by the Investment Funds are allocated to Participants' Accounts, the Trustee shall vote or tender such shares solely in accordance with written instructions furnished to it by each Participant (or Beneficiary of a deceased Participant); provided that the Trustee shall be responsible for delivery to each Participant (or Beneficiary of a deceased Participant) of all notices, proxies and proxy soliciting materials related to any such shares. Any such instructions shall remain in the strict confidence of the Trustee. Shares, including fractional shares, for which voting or tender instructions are not received shall not be voted or tendered.

6.09 Fiduciary Responsibility. This Plan is intended to constitute a plan described in section 404(c) of ERISA, and Title 29 of the Code of Federal Regulations § 2550.404c-1. Neither the Company, an Employer, the Committee, the Investment Committee, the Trustee nor any other Plan fiduciary shall be liable for any losses that are the direct and necessary result of investment instructions provided by any Participant, Beneficiary or Alternate Payee.

ARTICLE VII

VESTING

7.01 Full and Immediate Vesting of Salary Deferrals, Roth 401(k) Contributions, Qualified Nonelective Contributions, Qualified Matching Contributions and Rollovers. A Participant, at all times, shall have a fully (100%) vested and nonforfeitable interest in the portion of his Account attributable to Salary Deferrals, Qualified Nonelective Contributions, Qualified Matching Contributions, and Rollover Contributions (including all earnings, dividends and gains attributable to such contributions).

7.02 Vesting of Employer Contributions.

(a) Matching Contributions and Company Retirement Contributions. A Participant's interest in the portion of his Account attributable to Matching Contributions, Company Retirement Contributions or any other Employer contributions not otherwise referenced in Section 7.01 (including all earnings, dividends and gains attributable to such contributions) shall vest based on his Years of Service in accordance with the following schedule:

Years of Service	Vested Percentage
Less than 1 year	0%
1 year	25%

2 years	50%
3 years	75%
4 or more years	100%

(b) Accelerated Vesting upon Death, Normal Retirement Age and Disability Retirement Date. Notwithstanding anything in the Plan to the contrary, a Participant's interest in the portion of his Account that is subject to the vesting schedule described in Section 7.02(a) hereof shall be fully (100%) vested and nonforfeitable upon:

(1) the Participant's death while an Eligible Employee. In addition, in the event a Participant dies during a period of Qualified Military Service, such Participant shall be treated for purposes of this Section 7.02(b) as if he resumed employment and then died while an Eligible Employee.

(2) the Participant reaching Normal Retirement Age while an Eligible Employee.

(c) Accelerated Vesting of Participants Employed by Thunder Creek Gas Services, L.L.C. Notwithstanding anything in the Plan to the contrary, a Participant who is an Employee of Thunder Creek Gas Services, L.L.C. on August 16, 2013 (or such later date as of the occurrence of the "Closing" of the sale of the Company's ownership interest in Thunder Creek Gas Services L.L.C., as defined in the Purchase and Sale Agreement dated July 12, 2013, by and between the Company and Meritage G&P, LLC (the "Purchase and Sale Agreement")) shall have a fully (100%) vested and nonforfeitable interest in the portion of his Account that is subject to the vesting schedule described in Section 7.02(a) if such Participant is a "Continuing Employee" as defined in the Purchase and Sale Agreement.

(d) Accelerated Vesting of Participants Terminated as a Result of the Sale of Assets to Linn Energy. Notwithstanding anything in the Plan to the contrary, a Participant who is an Employee on August 29, 2014 (or on such date as is the occurrence of the "Closing," as defined in the Purchase and Sale Agreement dated June 27, 2014, by and between the Company and Linn Energy Holdings, LLC ("Purchase and Sale Agreement")) of the sale of assets described in the Purchase and Sale Agreement shall have a fully (100%) vested and nonforfeitable interest in the portion of his Account that is subject to the vesting schedule described in Section 7.02(a) if such Participant is terminated as a result of the Closing.

(e) Accelerated Vesting of Matching Contributions for Participants Actively Employed on December 31, 2021. Notwithstanding anything in the Plan to the contrary, a Participant who is an Employee on December 31, 2021 shall have a fully (100%) vested and nonforfeitable interest in the portion of his Account that is attributable to Matching Contributions.

7.03 Effects of Certain Periods of Severance.

(a) If a Participant had a vested interest in his Account at the time he incurred a Period of Severance and he is later reemployed by the Company or an Affiliated Company, his Years of Service before his Period of Severance shall be taken into account for purposes of determining his vested interest in his Account.

(b) If a Participant had no vested interest in his Account at the time he incurred a Period of Severance and he is later reemployed by the Company or an Affiliated Company, his Years of Service before his Period of Severance shall be taken into account for purposes of determining his vested interest in his Account only if he (1) completes a Year of Service as described in Section 2.67(a)(3), and (2) completes an Hour of Service at a time when his consecutive Periods of Severance do not equal or exceed five. Otherwise, such Participant's pre-severance Years of Service shall be cancelled.

(c) Notwithstanding anything in subsection (a) or (b) to the contrary, if a Participant or Employee has incurred five or more consecutive Periods of Severance, under no circumstances shall his Years of Service after he again completes an Hour of Service be counted in determining his vested interest in the portion of his Account attributable to periods before his Period of Severance.

7.04 Forfeiture of Nonvested Amounts and Restoration upon Reemployment.

(a) The Account of a Participant who has had a Severance from Service shall be closed, and the forfeitable amount held therein shall be forfeited on the earlier of:

(1) the date on which he receives a distribution of his entire vested interest in his Account (for these purposes, a Participant who incurs a Severance from Service without a vested interest in his Account shall be deemed to have received a distribution of his entire vested interest in his Account on the date of his Severance from Service); or

(2) the fifth anniversary of his Severance Date.

(b) Amounts forfeited from a Participant's Account under subsection (a) shall be applied in the following order of priority: (1) first, to reduce the reasonable expenses of the administration of the Plan that are not otherwise paid by the Employer or satisfied through other means; (2) next, to restore a reemployed Participant's Account as provided under this Section and to restore the Account of a Participant who could not be located as provided under Section 16.13, (3) next, to reduce future Matching Contributions made pursuant to Section 4.05; (4) next, to reduce future Company Retirement Contributions made pursuant to Section 4.04; (5) next, to provide Qualified Nonelective Contributions or Qualified Matching Contributions under Section 4.07; and (6) last, to satisfy the top-heavy minimum allocation provisions under Section 10.03.

(c) If a Participant who has received a distribution described in subsection (a)(1) , whereby any part of his Account has been forfeited, again becomes an Eligible Employee prior to the fifth anniversary of his Severance Date, the amount so forfeited shall be restored (unadjusted by any subsequent gains and losses) to his Account; provided that the Participant

repays to the Trustee the full amount of any such distribution prior to the fifth anniversary of the date such Participant again becomes an Eligible Employee. Amounts restored under this subsection (c) shall be funded through current forfeitures or additional contributions by the Participant's Employer.

ARTICLE VIII

BENEFIT DISTRIBUTIONS

8.01 Death Benefits.

(a) Amount and form of Death Benefit. Subject to Section 9.02(f), in the event of a Participant's death prior to his Benefit Payment Date, his Beneficiary shall be entitled to receive a death benefit equal to the vested balance of his Account, determined as of the Valuation Date related to the Benefit Payment Date for the Participant's Beneficiary. The Beneficiary shall have the option to select any form of payment under Section 8.03.

(b) Time of Distribution. Death benefits shall be paid to the Participant's Beneficiary as soon as practicable after the Participant's death; provided, however, that, in the event that the Participant dies after commencement of distributions but before all of his vested Account balance is distributed, the remaining portion of his vested Account balance shall continue to be distributed at least as rapidly as under the method of distribution being used prior to the Participant's death.

(c) Regulatory Requirements. Distributions under this Section shall otherwise comply with the requirements of Code section 401(a)(9), including the incidental death benefit requirements, in accordance with the final Treasury Regulations under Code section 401(a)(9) that were published on April 17, 2002.

8.02 Benefits upon Severance from Service.

(a) Amount of Benefit. Subject to Section 9.02(f), the Plan benefit payable to a Participant upon such Participant's Severance from Service for reasons other than death, shall be equal to the vested balance of his Account, determined as of the Valuation Date related to the Benefit Payment Date for the Participant.

(b) Time of Distribution.

(1) General Rule. Distribution of benefits under this Section to the Participant shall be made as soon as practicable after the Participant's Severance from Service; provided, however, that in the case of a Participant whose vested Account balance exceeds $5,000, no distribution shall be made at such time without the written consent of the Participant. If the Participant does not so consent, then distribution will be deferred until any subsequent date elected by the Participant in writing or such other manner acceptable to the Committee pursuant to such uniform and nondiscriminatory procedures as the Committee may impose; provided, however, that benefit payments shall begin no later than the applicable date under Section 8.02(b)(3).

(2) Cash-Out of Amounts of $5,000 or Less. In the event a Participant's vested Account balance (excluding amounts attributable to rollovers and earnings allocable thereon, but including amounts in a Participant's Roth In-Plan Conversion Account) is $5,000 or less at the time of the Participant's Severance from Service, the Committee shall direct the payment of the Participant's vested Account balance in a lump sum cash payment to the Participant as soon as practicable after the Participant's Severance from Service; provided, however, that for cash-outs pursuant to this subsection (2), if such Account balance is greater than $1,000 and the Participant does not consent to the distribution of such Account balance, then the Committee shall pay the distribution in a direct rollover described in Section 8.08 to an individual retirement plan of a designated trustee or insurer selected by the Committee, in its sole discretion, for such purposes.

(3) Required Distribution Dates.

(A) Except as otherwise elected by the Participant or provided in this Section, the Benefit Payment Date for any Participant shall not be later than the 60th day following the close of the Plan Year in which the later of the following events occurs: (i) the Participant reaches age 65, (ii) the tenth anniversary of the year in which the Participant commenced participation in the Plan or (iii) the Participant has a Severance from Service.

(B) Notwithstanding any provision in the Plan to the contrary, a Participant's Benefit Payment Date shall not be later than April 1 of the calendar year following the later of (I) the calendar year in which the Participant attains age 72 (for Participants who reached 70½ on or before December 31, 2021, 70½); or (II) in the case of a Participant who is not a 5% owner (within the meaning of Code section 416(i)) with respect to the Plan Year ending in the calendar year in which the Participant attains age 72 (for Participants who reached 70½ on or before December 31, 2021, 70½), the calendar year in which the Participant's Severance from Service occurs.

(C) Distributions under this Section 8.02 shall otherwise comply with the requirements of Code section 401(a)(9) and the final regulations published thereunder on April 17, 2002, including the incidental death benefit requirements of Treas. Reg. § 1.401(a)(9)-5.

(c) Election Period. A Participant's election to commence payment must be made within the 180-day period ending on the Benefit Payment Date elected by the Participant and in no event earlier than the date the Committee provides the Participant with written information relating to his right to defer payment and his right to make a direct rollover as set forth in Section 8.08. Such information must be supplied not less than 30 days or more than 180 days prior to the Benefit Payment Date. Notwithstanding the preceding sentence, a Participant's Benefit Payment Date may occur less than 30 days after such information has been supplied to the Participant; provided that after the Participant has received such information and has been advised of his right to a 30-day period to make a decision regarding the distribution, the Participant affirmatively elects a distribution.

8.03 Form and Timing of Benefit Payment. A Participant's Account shall be distributed to the Participant or his Beneficiaries in cash in the form of either (a) a single, lump

sum or (b) substantially equal payments in monthly, quarterly, semiannual or annual installments for a period less than the life expectancy of the Participant or his Beneficiaries, as the case may be.

8.04 Withdrawals. A Participant may, in the manner prescribed by the Committee, request a withdrawal from his Account in accordance with the following rules:

(a) In-Service Withdrawals.

(1) Upon written application submitted to the Committee, a Participant who has attained age 59½ may withdraw up to 100% of his vested Accounts. A Participant may direct the vested Accounts from which a withdrawal pursuant to this paragraph shall be made; provided, however, that a withdrawal from Accounts attributable to Employer contributions shall be taken from the Participant's vested Matching Contribution Account, Company Retirement Account and Roth In-Plan Conversion Account (to the extent attributable to amounts formerly in the Participant's Matching Contribution Account and Company Retirement Contribution Account, and any earnings on such amounts).

(2) Upon written application submitted to the Committee, a Participant may withdraw up to 100% of his Rollover Account and/or Roth Rollover Account.

(3) Notwithstanding the foregoing, a Participant who converts his account(s) described under any Appendix to Roth 401(k) Contributions in accordance with Section 4.06(b)(1) may withdraw the portion of his Roth In-Plan Conversion Account attributable to any account described under the applicable Appendix, including any earnings on such account, in accordance with the terms of the applicable Appendix.

(b) Hardship Withdrawals. Each Participant who has exhausted all of his withdrawal rights under subsection (a) hereof, and any in-service withdrawal rights set forth in an Appendix hereto, shall have the right to make a withdrawal from (i) his Salary Deferral Account, (ii) his Roth 401(k) Account, (iii) his Roth In-Plan Conversion Account (to the extent such amounts are attributable to a Roth in-plan conversion of amounts from his Salary Deferral Account), and (iv) the earnings in such Accounts described in clauses (i)–(iii) hereof. If the Committee determines that a requested withdrawal is on account of an immediate and heavy financial need of the Participant, and the withdrawal is necessary to satisfy such financial need, the Committee shall permit the Participant to withdraw all or a portion of the amounts eligible for hardship withdrawal; provided, however, that the aggregate amount of a Participant's withdrawals from each of his Salary Deferral Account, Roth 401(k) Account, and/or Roth In-Plan Conversion Account shall not exceed the Participant's undistributed Salary Deferrals or Roth 401(k) Contributions, and earnings on such contributions, in each of the Accounts. For Participants with amounts eligible for hardship withdrawal in multiple Accounts, withdrawals shall be taken from such Accounts on a pro rata basis.

(1) A withdrawal shall be deemed to be on account of an immediate and heavy financial need of a Participant when the withdrawal is on account of:

(A) expenses incurred or necessary for medical care of the Participant, the Participant's Spouse, any dependents, or a designated primary Beneficiary, of the Participant that would be deductible under Code section 213(d) (determined without regard to whether the expenses exceed 7.5% of adjusted gross income);

(B) the purchase (excluding mortgage payments) of a principal residence for the Participant;

(C) the payment of tuition, related educational fees and room and board for up to the next 12 months of post-secondary education for the Participant, his Spouse, children, dependents (as defined in Code section 152 without regard to Code sections 152(b)(1), (b)(2) and (d)(1)(B)), or a designated primary Beneficiary;

(D) expenses for the repair of damage to the Participant's principal residence that would qualify for the casualty deduction under Code section 165 (determined without regard to whether the loss exceeds 10% of adjusted gross income and, effective January 1, 2018, without regard to Code section 165(h)(5));

(E) the need to prevent the eviction of the Participant from, or foreclosure on the mortgage of, the Participant's principal residence;

(F) payments for burial or funeral expenses for the Participant's deceased parent, Spouse, child, dependent (as defined in Code section 152 and without regard to Code section 152(d)(1)(B)), or a designated primary Beneficiary;

(G) federal, state or local income taxes or penalties reasonably anticipated to result from the distribution;

(H) expenses and losses (including loss of income) on account of a disaster declared by the Federal Emergency Management Agency ("FEMA") under the Robert T. Stafford Disaster Relief and Emergency Assistance Act, Public Law 100-707, provided that the Participant's principal residence or principal place of employment at the time of the disaster was located in an area designated by FEMA for individual assistance; or

(I) such other circumstances as may be prescribed by the Secretary of the Treasury or his delegate.

The term "designated primary Beneficiary" for purposes of this subsection (1) means a primary Beneficiary under the Plan who has an unconditional right, upon the death of the Participant, to all or a portion of the Participant's Account under the Plan.

(2) A withdrawal shall be necessary to satisfy the financial need of a Participant if:

(A) the amount of the withdrawal does not exceed the amount of the Participant's immediate and heavy financial need, including, at the election of the Participant, any amounts necessary to pay any federal, state or local income taxes or penalties reasonably anticipated to result from the distribution and a Participant making such application represents in writing to the Committee (and the Committee does not have actual knowledge to the contrary) that such need cannot be relieved:

(i) through reimbursement or compensation by insurance or otherwise;

(ii) by reasonable liquidation of the Participant's assets, including those assets of his Spouse and minor children that are reasonably available to him, to the extent such liquidation would not itself cause an immediate and heavy financial need; or

(iii) by other currently available distributions from the Plan or any other plan maintained by the Employer or by any other employer, in an amount sufficient to satisfy the need.

(3) The Participant must represent (in writing or electronically in accordance with rules and procedures established by the Committee) that he has insufficient cash or other liquid assets to satisfy the need. The Committee may rely on the Participant's representation unless the Committee has actual knowledge to the contrary.

(4) Notwithstanding anything in the Plan to the contrary, in the case of a Participant who received a hardship withdrawal before January 1, 2019, any suspension of such Participant's ability to make Salary Deferrals and/or Roth 401(k) Contributions or any other employee contributions due to the receipt of such hardship withdrawal will be cancelled, and the Participant will again be eligible to make such Salary Deferrals and/or Roth 401(k) or other employee contributions on and after January 1, 2019 to the extent permitted by law.

(c) Coronavirus-Related Distributions.

(1) General Provisions. Notwithstanding any provision in the Plan to the contrary, in accordance with section 2202(a) of the Coronavirus Aid, Relief, and Economic Security Act and related guidance, the Plan shall permit a Participant who is a "COVID-Related Qualified Individual" (as defined below) to take COVID Related Distributions, between March 27, 2020 and December 31, 2020, of up to $100,000 from the Participant's Accounts. If the Participant has already taken one or more COVID Related Distributions from the Plan or any qualified plan maintained by the Employer or an Affiliated Employer, the maximum amount of any future COVID Related Distribution shall be reduced by the amount of any prior COVID Related Distributions that the Participant has received on or after January 1, 2020 from the Plan and/or from all other qualified plans maintained by the Employer or an Affiliated Employer so that the sum of all COVID Related Distributions from the Plan and all other qualified plans maintained by the Employer or an Affiliated Employer shall not exceed $100,000. The

Participant may repay the COVID Related Distribution during the three-year period beginning the day after the distribution date, and the repayment shall be treated as a direct rollover.

(2) Definition. A "COVID Related Qualified Individual" means a Participant who has certified, using the form or other method established by the Committee for such purpose, that the Participant:

(A) has been diagnosed, or the Participant's Spouse or dependent (as defined in Code section 152) has been diagnosed, with the virus SARS-CoV-2 or coronavirus disease 2019 (collectively, "COVID-19") using a test approved by the Center for Disease Control and Prevention; or

(B) due to COVID-19, experiences adverse financial consequences because of the individual's (or the Participant's Spouse or member of the Participant's household (someone who shares Participant's principal residence)): being quarantined, furloughed or laid off, or having work hours reduced; being unable to work due to the lack of child care; closing or reducing hours of a business that they own or operate; or having pay or self-employment income reduced, a job offer rescinded or start date for a job delayed.

8.05 Beneficiary Designation Right.

(a) Spouse as Beneficiary. The Beneficiary of a death benefit payable pursuant to Section 8.01 shall be the Participant's Spouse as of the Participant's date of death; provided, however, that the Participant may designate a Beneficiary other than his Spouse pursuant to subsection (b) if:

(1) the requirements of subsection (c) are satisfied; or

(2) the Participant has no Spouse; or

(3) the Committee determines that the Spouse cannot be located or such other circumstances exist under which Spousal consent is not required, as prescribed by Treasury Regulations.

(b) Beneficiary Designation Right. Each Participant who is permitted to designate a Beneficiary other than his Spouse pursuant to subsection (a) shall have the right to designate one or more primary and one or more contingent Beneficiaries to receive any benefit becoming payable upon the Participant's death. All Beneficiary designations shall be in writing in a form satisfactory to the Committee. Each Participant shall be entitled to change his Beneficiaries at any time and from time to time by filing a written notice of such change with the Committee. However, the Participant's Spouse must again consent in writing to such change, unless (1) the change is a revocation of the prior consent or (2) one of the exceptions described in subsection (a)(2)or (a)(3) applies.

In the event that the Participant fails to designate a Beneficiary to receive a benefit that becomes payable pursuant to Section 8.01, or in the event that the Participant is

predeceased by all designated primary and contingent Beneficiaries, the death benefit shall be payable to the Participant's estate.

After a Participant's death, any Beneficiary of the deceased Participant may designate one or more secondary beneficiaries to receive the Beneficiary's interest in the Plan attributable to the Participant's benefits after the Beneficiary's death, to the extent such designation is not inconsistent with the Participant's beneficiary designation. If the Beneficiary fails to designate a beneficiary or if none of his designated beneficiaries survive him, the death benefit shall be payable to the Beneficiary's estate. Under circumstances where no estate is or will be opened for probate (by way of example and not limitation, because the total amount of the Participant's or Beneficiary's estate is below the threshold requiring the opening of an estate under applicable law), the Committee or its delegate may rely on representations made by a representative of the estate of the Participant or Beneficiary, as applicable, regarding the identity of any person or persons who are entitled to receive assets from the estate of the Participant or Beneficiary, as applicable, and to whom the remaining Plan benefit is to be paid in equal shares. The Committee or its delegate may require that such representations be in writing and notarized. Neither the Committee nor the Trustee shall be required to investigate or verify the veracity of the representations made by the representative of the estate of the Participant or Beneficiary, as applicable. Any determination made under this Section by the Committee in good faith as to the rights or identity of any Beneficiary shall be conclusive on all persons. The Plan, the Committee, its members, the Trustee and the Employer shall not be liable to any person on account of any error in such determination. Any payment made in accordance with this paragraph shall fully acquit and discharge the Plan, the Committee, its members, the Trustee and the Employer from all future liability with respect to the benefit so distributed.

(c) Form and Content of Spouse's Consent. A Spouse may consent to the designation of one or more Beneficiaries other than such Spouse; provided that such consent shall be in writing, must consent to the specific alternate beneficiary or beneficiaries designated, must acknowledge the effect of such consent, and must be witnessed by a Plan representative or notary public. Such Spouse's consent shall be irrevocable, unless expressly made revocable. The consent of a Spouse in accordance with this subsection (c) shall not be effective with respect to any subsequent Spouse of the Participant.

8.06 Domestic Relations Orders.

(a) General. Except as otherwise provided in this Section, an Alternate Payee shall have no rights to a Participant's benefit and shall have no rights under this Plan other than those rights specifically granted to the Alternate Payee pursuant to a QDRO. Notwithstanding the foregoing, an Alternate Payee shall have the right to make a claim for any benefits awarded to the Alternate Payee pursuant to a QDRO, as provided in ARTICLE XIII. Any interest of an Alternate Payee in the Account of a Participant, other than an interest payable solely upon the Participant's death pursuant to a QDRO which provides that the Alternate Payee shall be treated

as the Participant's surviving spouse, shall be separately accounted for by the Trustee in the name and for the benefit of the Alternate Payee.

(1) Distribution. Notwithstanding anything in this Plan to the contrary, a QDRO may provide that any benefits of a Participant payable to an Alternate Payee that are separately accounted for shall be distributed immediately or at any other time specified in the order. If the order does not specify the time at which benefits shall be payable to the Alternate Payee, the Alternate Payee may elect to have benefits commence at any time after the order is determined to be qualified.

(b) Withdrawals. Unless a QDRO establishing a separate account for an Alternate Payee provides to the contrary, an Alternate Payee for whom a separate account is established shall not be permitted to make any withdrawals under this ARTICLE VIII.

(c) Death Benefits. Unless a QDRO establishing a separate account for an Alternate Payee provides to the contrary, an Alternate Payee for whom a separate account is established shall have the right to designate a Beneficiary, in the same manner as provided in Section 8.05 with respect to a Participant (except that no Spousal consent shall be required), who shall receive benefits payable to an Alternate Payee which have not been distributed at the time of an Alternate Payee's death. Upon an Alternate Payee's death, a separate account shall be established for any such Beneficiary. If the Alternate Payee for whom a separate account is established does not designate a Beneficiary, or if the Beneficiary predeceases the Alternate Payee, benefits payable to the Alternate Payee that have not been distributed shall be paid to the Alternate Payee's estate.

(d) Investment Direction. Unless a QDRO establishing a separate account for an Alternate Payee provides to the contrary, an Alternate Payee for whom a separate account is established shall have the right to direct the investment of any portion of a Participant's Accounts payable to the Alternate Payee under such order in the same manner as provided in ARTICLE VI with respect to a Participant, which amounts shall be separately accounted for by the Trustee in the Alternate Payee's name.

(e) Loans. An Alternate Payee shall not be permitted to receive a loan under ARTICLE IX.

8.07 Post Distribution Credits. In the event that, after the payment of a single-sum distribution under this Plan (other than an in-service benefit distribution described in Section 8.04), any funds shall be subsequently credited to the Participant's Account, such additional funds shall be paid to the Participant or applied to the Participant's Account as promptly as practicable thereafter.

8.08 Direct Rollovers. In the event any payment or payments to be made under the Plan to a Participant, a Beneficiary, or an Alternate Payee would constitute an "eligible rollover distribution," such individual may request that such payment or payments be transferred directly from the Trust to the trustee of an "eligible rollover plan." Any such request shall be made in the

form prescribed by the Committee for such purpose, at such time in advance as the Committee may specify.

For purposes of this Section,

(a) "eligible rollover distribution" shall mean a distribution from the Plan, excluding (1) any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) over the life (or life expectancy) of the individual, the joint lives (or joint life expectancies) of the individual and the individual's designated Beneficiary, or a specified period of 10 or more years; (2) any distribution to the extent such distribution is required under Code section 401(a)(9); and (3) any hardship distribution; and

(b) "eligible rollover plan" shall mean (1) an individual retirement account described in Code section 408(a), (2) an individual retirement annuity described in Code section 408(b) (other than an endowment contract), (3) an annuity plan described in Code section 403(a), (4) a qualified plan, the terms of which permit the acceptance of rollover distributions, (5) an eligible deferred compensation plan described in Code section 457(b) that is maintained by an eligible employer described in Code section 457(e)(i)(A) that shall separately account for the distribution, or (6) an annuity contract described in Code section 403(b); provided, however, that, effective January 1, 2007, with respect to a distribution (or portion of a distribution) consisting of after-tax employee contributions, the term "eligible rollover plan" shall mean a plan described in clauses (4) and (6) that separately accounts for such amounts transferred and earnings on such amounts or a plan described in clause (1) or (2). Effective January 1, 2008, an "eligible rollover plan" shall also mean an individual retirement account described in Code section 408A; provided that the distribution to the individual retirement account described in Code section 408A constitutes a "qualified rollover contribution" under Code section 408A(e). Notwithstanding the foregoing, if any portion of an eligible rollover distribution is attributable to payments or distributions from a Participant's Roth 401(k) Account, Roth Rollover Account or Roth In-Plan Conversion Account, an eligible rollover plan with respect to such portion shall include only another designated Roth 401(k) account described in Code section 402A or a Roth individual retirement account described in Code section 408A, and only to the extent the rollover is permitted under the rules of Code section 402(c). Effective January 1, 2007, in the case of a distribution to a nonspouse Beneficiary who is a designated Beneficiary within the meaning of Code section 401(a)(9)(E), an "eligible rollover plan" is an individual retirement account established on behalf of the designated Beneficiary that will be treated as an inherited individual retirement account pursuant to the provisions of Code section 402(c)(11).

8.09 Waiver of 2009 Required Distributions. Notwithstanding anything in this ARTICLE VIII to the contrary, a Participant or Beneficiary who would have been required to receive required minimum distributions for 2009 but for enactment of Code section 401(a)(9)(H) ("2009 RMDs"), and who would have satisfied that requirement by receiving distributions that are (i) equal to the 2009 RMDs, or (ii) one or more payments in a series of substantially equal distributions that include the 2009 RMDs made at least annually and expected to last for the life (or life expectancy) of the Participant, the joint lives (or joint life expectancy) of the Participant and the Participant's designated Beneficiary, or for a period of at least 10 years, will not receive those distributions for 2009 unless the Participant or Beneficiary chooses to receive such

distributions. Participants and Beneficiaries described in the preceding sentence will be given the opportunity to elect to receive the distributions described in the preceding sentence. A direct rollover will be offered only for distributions that would be eligible rollover distributions (as defined in Section 8.08) without regard to Code section 401(a)(9)(H).

8.10 Waiver of 2020 Required Distributions. Notwithstanding the foregoing, a Participant or Beneficiary who, but for the enactment of section 2203 of the Coronavirus Aid, Relief, and Economic Security Act, (i) would have been required to receive required minimum distributions in 2020 (or paid in 2021 for the 2020 calendar year for a Participant with a required beginning date of April 1, 2021) ("2020 RMDs"), and (ii) would have satisfied that requirement by receiving a lump sum distribution equal to the 2020 RMDs, shall not receive such distribution unless the Participant or Beneficiary elects to receive such distribution. A Participant or Beneficiary who would have satisfied the requirement to receive 2020 RMDs by receiving one or more payments (that include the 2020 RMDs) in a series of substantially equal distributions made at least annually and expected to last for the life (or life expectancy) of the Participant, the joint lives (or joint life expectancy) of the Participant and Beneficiary, or for a period of at least 10 years, may elect to waive the payment of such distributions. To the extent permitted by the Committee pursuant to its administrative procedures and in accordance with IRS Notice 2020-51, Participants who received required minimum distributions for 2020 from the Plan prior to April 1, 2020 may roll these distributions back into the Plan, provided that they do so by August 31, 2020.

ARTICLE IX

PARTICIPANT LOANS

9.01 Loans in General.

(a) Permissibility. Each Participant or Beneficiary who satisfies such uniform and nondiscriminatory conditions as may from time to time be adopted by the Committee may apply for a loan from the Plan.

(b) Application. Subject to such uniform and nondiscriminatory rules as may from time to time be adopted by the Committee, the Trustee, upon application by such Eligible Borrower in such manner as may be approved by the Committee, may make a loan or loans to such applicant.

(c) Limitation on Amount.

(1) Loans shall be at least $1,000 in amount, and in no event shall total loans exceed the lesser of (A) 50% of the vested balance of such Eligible Borrower's Accounts (other than such Eligible Borrower's Company Retirement Contributions Account, which shall not be included in determining the loan limit), or (B) $50,000, reduced by the excess, if any, of (i) the highest outstanding balance of all loans during the 12 months prior to the time the new loan is to be made, over (ii) the outstanding balance of loans made to the Eligible Borrower prior to the date such new loan is made. Loans under any other qualified plan sponsored by the Employer or any Affiliated Company shall be aggregated with loans under the Plan in

determining whether or not the limitation stated herein has been exceeded. Notwithstanding any other provision of the Plan, loan policy or procedures, the portion of an Eligible Borrower's Account that was available for a loan requested between November 17, 2017 and November 30, 2017 shall include the entire vested Account balance.

(2) Pending the final determination by the Plan Administrator of whether a domestic relations order is a QDRO, no loan to any Eligible Borrower may exceed an amount greater than the maximum permissible loan amount that would be available assuming that the benefit described in the domestic relations order had already been distributed to the alternate payee under a QDRO; provided, however, that the Committee may, in its sole discretion, adopt a policy that universally prohibits loans to an otherwise Eligible Borrower pending the final determination of whether a domestic relations order is a QDRO.

(d) Equality of Borrowing Opportunity. Loans shall be available to all Eligible Borrowers who are parties in interest on a reasonably equivalent and nondiscriminatory basis. Loans shall not be made available to Eligible Borrowers who are or were Highly Compensated Employees in an amount greater than the amount available to other Eligible Borrowers.

(e) Loan Statement. Every Eligible Borrower receiving a loan hereunder will receive a statement from the Committee clearly reflecting the charges involved in each transaction, including the dollar amount and annual interest rate of the finance charges. The statement will provide all information required to meet applicable "truth-in-lending" laws.

(f) Restriction on Loans. The Committee will not approve any loan if it is the belief of the Committee that such loan, if made, would constitute a prohibited transaction (within the meaning of section 406 of ERISA or Code section 4975(c)), would constitute a distribution taxable for federal income tax purposes, or would imperil the status of the Plan or any part thereof under Code section 401(k). Effective July 15, 2019, an Eligible Borrower may obtain a loan only if the loan will result in the Eligible Borrower having no more than one loan outstanding.

(g) CARES Act Loan Provisions.

(1) Increased Loan Amounts. In accordance with section 2202(b) of the Coronavirus Aid, Relief, and Economic Security Act and Notice 2020-50, any loan made to a Participant who is a COVID-Related Qualified Individual (as defined in Section 8.04(c)(2)), within the 180-day period beginning on March 27, 2020 shall not exceed the lesser of: (a) $100,000, reduced by the excess (if any) of (A) the highest outstanding balance of loans to the Participant under qualified retirement plans sponsored by the Employer or an Affiliated Company during the 12-month period ending on the day before the date on which such loan is made, over (B) the outstanding balance of loans immediately before the loan in question was made; or (b) 100 percent of the vested balances credited to the Participant's Accounts.

(2) Loan Repayment Suspension. In accordance with section 2202(b) of the Coronavirus Aid, Relief, and Economic Security Act and Notice 2020-50, for a Participant who is a COVID Related Qualified Individual (as defined in Section 8.04(c)(2)) and has an

outstanding loan on or after March 27, 2020, loan repayments that would be otherwise due on or after March 27, 2020 and ending on December 31, 2020 (the "Suspension Period"), shall be suspended until January 1, 2021 if the Participant files a request using the approved method established by the Committee. Following the end of the Suspension Period, the loan shall be reamortized and subsequent repayments will reflect the delay, plus accrued interest during the Suspension Period, and the initial loan end date shall be extended by one year. If the Participant terminates employment during the Suspension Period and makes arrangements to repay the loan that satisfy the requirements described in 9.02(g), the loan end date shall be extended by one year. If the Participant does not make repayment arrangements that satisfy 9.02(g), the entire outstanding principal and unpaid interest shall be due and payable on the date ninety (90) days after the Participant's termination of employment.

9.02 Loans as Trust Fund Investments. All loans shall be considered as fixed income investments of a segregated account of the Trust Fund (a "loan fund") directed by the borrower. Accordingly, the following conditions shall apply with respect to each such loan:

(a) Security. All loans shall be secured by the pledge of such portion of the Eligible Borrower's Account as is sufficient to secure repayment of the loan.

(b) Interest Rate. The interest rate on any loan shall be commensurate with the prevailing interest rate charged on similar commercial loans under like circumstances by persons in the business of lending money and shall be determined by the Committee.

(c) Loan Term. Loans shall be for terms of up to five years or, with respect to a loan used to acquire a dwelling unit which will be used as the principal residence of the Eligible Borrower, 15 years; provided, however, that if the Eligible Borrower is absent from work for the performance of military service in any branch of the uniformed services (as defined in chapter 43 of title 38, United States Code), any payments may be suspended during such period of military service and, if suspended, shall resume following the completion of the period of such military service. Any such resumed payments shall be made, following the period of such military service, at least as frequently as, and in an amount not less than, the original loan payments. In the event of such military service, the term of the loan may be extended by a period not to exceed the original term of the loan plus the period of such military service. With respect to loans that are outstanding when an Eligible Borrower begins a period of such military service, the interest rate on any such loans shall be limited to 6% to the extent required to comply with section 207 of the Servicemembers Civil Relief Act (or any successor statute thereto); provided that the Committee may require that the Eligible Borrower has provided the Committee with written notice and a copy of the military orders calling the Eligible Employee to military service and any orders further extending military service no later than 180 days after the date of the Eligible Employee's termination or release from military service. Any loan fees charged to the Accounts of the Eligible Borrower during the period of military service shall be included as interest for purposes of calculating the maximum 6% interest rate.

(d) Promissory Note. Any loan made to an Eligible Borrower under this Article shall be evidenced by the promissory note returned to the Eligible Borrower after the loan has been processed. Such promissory note shall contain the irrevocable consent of the Eligible

Borrower to the payroll withholding described in subsection (f), if applicable. The Committee shall have the right to require the Eligible Borrower to submit revised materials to the extent the Committee determines it is necessary to comply with ERISA or the Code.

(e) Refinancing of Loans. An Eligible Borrower may not refinance an existing loan.

(f) Default and Remedies. In the event that:

(1) an Eligible Borrower (other than an Eligible Borrower who continues to be a party in interest) has a Severance from Service and fails to make adequate arrangements, as determined by the Committee, in its sole discretion, to continue to make installment payments and does not repay the full unpaid balance of the loan plus applicable interest within such time as may be designated by the Committee; or

(2) in the case of a deceased Eligible Borrower, the Beneficiary fails to repay the full unpaid balance of the loan plus applicable interest within such time as may be designated by the Committee; or

(3) the Eligible Borrower fails to pay any installment by the end of the calendar quarter following the calendar quarter in which the installment payment became delinquent as provided in Section 9.02(g)(2); or

(4) the Eligible Borrower (A) makes an assignment for the benefit of creditors, (B) files a petition for bankruptcy, (C) is adjudicated insolvent or bankrupt, or (D) becomes the subject of any wage earner plan under the federal Bankruptcy Code as now or hereafter in effect, or under any applicable state insolvency law; or

(5) there is started against the Eligible Borrower any bankruptcy, insolvency or other similar proceeding which has not been dismissed by the 60th day after the date on which the proceeding was started, or the Eligible Borrower consents to or approves of any such proceeding or the appointment of any receiver for the Eligible Borrower or any substantial part of the Eligible Borrower's property, or the appointment of any such receiver is not discharged within 60 days;

the unpaid balance of the loan, with interest due thereon, shall become immediately due and payable. In the event that a loan becomes immediately due and payable (in "default"), the Eligible Borrower (or his Beneficiary in the event of his death) may satisfy the loan by paying the outstanding balance in full within 60 days of receiving written notice from the Committee of such default; provided, however, that any such satisfaction of a loan in default must be made no later than the last day of the grace period, if any, designated by the Committee (which grace period shall not extend beyond the last day of the calendar quarter following the calendar quarter in which the required installment was due). Otherwise, any such outstanding loan or loans (plus unpaid interest) shall be deducted from any benefit which is or becomes payable to the Eligible Borrower or his Beneficiary from the amount and the portions of his Account pledged as security for the loan as soon as is practicable after such default; provided, however, that if the Eligible Borrower has not died or incurred a Severance from Service, the Eligible Borrower's Salary

Deferral Account, Roth 401(k) Contributions Account, and portion of the Participant's Roth In-Plan Conversion Account attributable to Salary Deferral Contributions shall only be used to reduce the Eligible Borrower's indebtedness at such time as the Eligible Borrower is entitled to a distribution under Section 8.02 or a withdrawal under Section 8.04 from his Salary Deferral Account and Roth 401(k) Contributions Account and the applicable portion of his Roth In-Plan Conversion Account. Such action shall not operate as a waiver of the rights of the Employer, the Committee, the Trustee or the Plan under applicable law.

(g) Repayment.

(1) Loans shall be amortized and repaid in equal installments (not less frequently than quarterly) through payroll withholding; provided, however, that the Committee, in its sole discretion, may authorize an Eligible Borrower who has incurred a Severance from Service or a Disability or transferred to an Affiliated Company, or who is otherwise not actively employed by an Employer, to repay his loan by making direct installment payments. Notwithstanding the foregoing, in the event of an Eligible Borrower's unpaid leave of absence, the Committee may suspend the Eligible Borrower's installment payment for up to 12 months; provided, however, (i) the loan must still be repaid by the end of the term of the loan, which may be extended by the Committee, in its sole discretion, as provided herein, and (ii) the remaining balance of the loan must be reamortized upon the Eligible Borrower's recommencing active employment. In the event that repayment of a loan is suspended as provided in this subsection (g), the term of such loan may be extended provided that such extension shall in no event be longer than the maximum period allowable for such loan at the time it was made as provided in subsection (c) above.

(2) An installment payment shall be delinquent if the Eligible Borrower fails to pay the installment payment within 30 days of the date the installment payment is due.

(3) Loans may be prepaid in full or in part at any time without penalty, in accordance with the procedures established by the Committee for such purposes.

(4) No distribution of an Eligible Borrower's Accounts shall be made to the Eligible Borrower or the Eligible Borrower's Beneficiary or estate until all loans, together with accrued interest, have been paid in full.

(h) Loan Fees. Fees properly chargeable in connection with a loan may be charged, in accordance with a uniform and nondiscriminatory policy established by the Committee, against the Account of the Eligible Borrower to whom the loan is granted.

(i) Applicable Accounts and Investment Funds.

(1) At such time as it is determined that an Eligible Borrower is to receive a loan from the Plan, the loan shall be made from the Eligible Borrower's applicable Account as indicated hereafter and such amount shall be deemed to be credited to a separate Account established for such purposes (the "Loan Account"), with a corresponding debit to occur to his Account as of the first day of the month in which such loan occurs. Effective January 1,

2012, the loan may be made from any of the Eligible Borrower's Accounts, other than an account holding Company Retirement Contributions, if any, in accordance with the uniform and nondiscriminatory procedures adopted by the Committee for such purposes. All loans shall be funded from the Investment Funds in which the Eligible Borrower's Account that is being debited is invested on a pro rata basis. Notwithstanding any other provision of the Plan, loan policy or procedures, the portion of an Eligible Borrower's Account that was available for a loan requested between November 17, 2017 and November 30, 2017 shall include the entire vested Account balance.

(2) All interest payments to be made pursuant to the terms and provisions of the loan shall be credited to the applicable Account in such a manner so that the Loan Account will reflect unpaid principal and interest from time to time. The earnings attributable to the Loan Account shall be allocable only to the Loan Account of such Eligible Borrower and shall not be considered as general earnings of the Trust Fund to be allocated to other Eligible Borrowers. Other than for the limited purposes of establishing a separate account for the allocation of the interest thereto, an Eligible Borrower's Loan Account shall, for all other purposes, be considered as a part of the applicable Account.

(3) Loan repayments to the Plan by the Eligible Borrower shall be invested in the Investment Funds on the basis of the Eligible Borrower's current investment election under Section 6.03, or the Eligible Borrower's most recent investment election, if no investment election is currently in effect, unless the Eligible Borrower elects otherwise in accordance with rules prescribed by the Committee.

ARTICLE X

PROVISIONS RELATING TO TOP-HEAVY PLANS

10.01 Definitions. For purposes of this Article, the following terms shall have the following meanings:

(a) "Aggregation Group" shall mean the group of qualified plans sponsored by the Employer or by an Affiliated Company formed by including in such group (1) all such plans in which a Key Employee participates in the Plan Year containing the Determination Date, including any frozen or terminated plan that was maintained within the five-year period ending on the Determination Date; (2) all such plans which enable any plan described in clause (1) to meet the requirements of either Code section 401(a)(4) or 410; and (3) such other qualified plans sponsored by the Employer or an Affiliated Company as the Employer elects to include in such group, as long as the group, including those plans electively included, continues to meet the requirements of Code sections 401(a)(4) and 410.

(b) "Determination Date" shall mean the last day of the preceding Plan Year or, in the case of the first Plan Year, the last day of such Plan Year.

(c) "Key Employee" shall mean a person employed or formerly employed by the Employer or an Affiliated Company who, during the Plan Year, was any of the following:

(1) An officer of the Employer having an annual Compensation of more than $140,000 or such other amount as may be in effect under Code section 416(i)(1)(A)(i). The number of persons to be considered officers in any Plan Year and the identity of the persons to be so considered shall be determined pursuant to the provisions of Code section 416(i) and the regulations published thereunder.

(2) A 5% owner of the Employer.

(3) A person who is both an Employee whose annual Compensation exceeds $150,000 and a 1% owner of the Employer.

The beneficiary of any deceased Participant who was a Key Employee shall be considered a Key Employee for the same period as the deceased Participant would have been so considered.

(d) "Key Employee Ratio" shall mean the ratio (expressed as a percentage) for any Plan Year, calculated as of the Determination Date with respect to such Plan Year, determined by dividing the amount described in paragraph (1) hereof by the amount described in paragraph (2) hereof, after deduction from both such amounts of the amount described in paragraph (3) hereof.

(1) The amount described in this paragraph (1) is the sum of (A) the aggregate of the present value of all accrued benefits of Key Employees under all qualified defined benefit plans included in the Aggregation Group, (B) the aggregate of the balances in all of the accounts standing to the credit of Key Employees under all qualified defined contribution plans included in the Aggregation Group, and (C) the sum of the amount of any in-service distributions during the period of five Plan Years ending on the Determination Date, and the amount of any other distributions during the one-year period ending on the Determination Date, to or on behalf of any Key Employee for all plans in the Aggregation Group.

(2) The amount described in this paragraph (2) is the sum of (A) the aggregate of the present value of all accrued benefits of all Participants under all qualified defined benefit plans included in the Aggregation Group, (B) the aggregate of the balances in all of the accounts standing to the credit of all Participants under all qualified defined contribution plans included in the Aggregation Group, and (C) the sum of the amount of any in-service distributions during the period of five Plan Years ending on the Determination Date, and the amount of any other distributions during the one-year period ending on the Determination Date, and the amount of any other distributions during the one-year period ending on the Determination Date, to or on behalf of any Participant from all plans in the Aggregation Group.

(3) The amount described in this paragraph (3) is the sum of (A) all rollover contributions (or similar transfers) to plans included in the Aggregation Group initiated by an Employee from a plan sponsored by an employer which is not the Employer or an Affiliated Company, (B) any amount that would have been included under paragraph (1) or (2)

hereof with respect to any person who has not rendered service to any Employer at any time during the one-year period ending on the Determination Date, and (C) any amount that is included in paragraph (2) hereof for, on behalf of, or on account of, a person who is a Non-Key Employee as to the Plan Year of reference but who was a Key Employee as to any earlier Plan Year.

The present value of accrued benefits under any defined benefit plan shall be determined under the method used for accrual purposes for all plans maintained by the Employer and all Affiliated Companies if a single method is used by all such plans, or otherwise, the slowest accrual method permitted under Code section 411(b)(1)(C).

(e) "Non-Key Employee" shall mean any Employee or former Employee who is not a Key Employee as to that Plan Year, or a beneficiary of a deceased Participant who was a Non-Key Employee.

10.02 Determination of Top-Heavy Status. The Plan shall be deemed "top-heavy" as to any Plan Year if, as of the Determination Date with respect to such Plan Year, either of the following conditions are met:

(a) The Plan is not part of an Aggregation Group and the Key Employee Ratio, determined by substituting the "Plan" for the "Aggregation Group" each place it appears in Section 10.01(d), exceeds 60%, or

(b) The Plan is part of an Aggregation Group, and the Key Employee Ratio of such Aggregation Group exceeds 60%.

10.03 Top-Heavy Plan Minimum Allocation. The aggregate allocation made under the Plan to the Account of each active Participant who is a Non-Key Employee for any Plan Year in which the Plan is a Top-Heavy Plan and who remained in the employ of the Employer or an Affiliated Company through the end of such Plan Year (whether or not in the status of Eligible Employee) shall be not less than the lesser of:

(a) 3% of the Compensation of each such Participant for such Plan Year; or

(b) The percentage of such Compensation so allocated under the Plan to the Account of the Key Employee for whom such percentage is the highest for such Plan Year.

(c) If any person who is an active Participant in the Plan is a Participant under any defined benefit pension plan qualified under Code section 401(a) sponsored by the Employer or an Affiliated Company, there shall be substituted " 5%" for " 3%" in subsection (a). For the purposes of determining whether the provisions of this Section have been satisfied, (1) contributions or benefits under chapter 2 of the Code (relating to tax on self-employment income), chapter 21 of the Code (relating to Federal Insurance Contributions Act), title II of the Social Security Act, or any other Federal or state law are disregarded; (2) all defined contribution plans in the Aggregation Group shall be treated as a single plan; and (3) elective deferrals under all plans in the Aggregation Group shall be disregarded. For the purposes of determining whether the requirements of this Section have been satisfied, contributions allocable to the

account of the Participant under any other qualified defined contribution plan that is part of the Aggregation Group shall be deemed to be contributions made under the Plan, and, to the extent thereof, no duplication of such contributions shall be required hereunder solely by reason of this Section. Subsection (b) shall not apply in any Plan Year in which the Plan is part of an Aggregation Group containing a defined benefit pension plan (or a combination of such defined benefit pension plans) if the Plan enables a defined benefit pension plan required to be included in such Aggregation Group to satisfy the requirements of either Code section 401(a)(4) or 410. In determining the amount of Employer contributions that are needed to satisfy the requirements of this Section, amounts contributed under Section 4.01 for Non-Key Employees shall not be taken into account.

ARTICLE XI

ALLOCATION AND DELEGATION OF AUTHORITY

11.01 Delegation. A fiduciary shall have only those specific powers, duties, responsibilities and obligations as are specifically given to him or her under this Plan or under the Trust Agreement or delegated to him or her by another fiduciary. In general, the Employer, by action of the Board of Directors or a committee thereof, shall have the sole responsibility for making contributions provided for under Sections 4.01(d), 4.04, 4.05 and 4.07; and the Compensation Committee of the Board of Directors shall have the sole authority to appoint and remove the Trustee, the members of the Committee and the Investment Committee, and the Company, by action of the Board of Directors or a committee thereof, shall have the sole authority to curtail or terminate, in whole or in part, the Plan or the Trust Agreement and, except as otherwise provided herein with respect to shared authority, to amend the Plan. The Committee shall have the sole responsibility for the administration of the Plan, which responsibility is specifically described in this Plan and the Trust Agreement, except for the responsibility of the Investment Committee. The Investment Committee shall have the sole responsibility for the selection and monitoring of the Investment Funds, establishing investment objectives, deciding whether to appoint and appointing the Asset Allocation Fiduciary and selecting and monitoring any fiduciary consultant or advisor. The Trustee shall have the sole responsibility for the administration of the Trust Fund and the management of the assets held in the Trust Fund, all as specifically provided in the Trust Agreement. The Asset Allocation Fiduciary shall have the sole responsibility for the determination of the allocation of investments within any Target Fund or portfolio, which shall be made from other investment alternatives selected by the Investment Committee.

11.02 Authority and Responsibilities of the Committee. The Committee shall have the authority and responsibilities imposed by ARTICLE XII hereof, except to the extent delegated to other persons or otherwise provided for herein. With respect to the said authority and responsibility, the Committee shall be a "Named Fiduciary," and, as such, shall have no authority and responsibility other than as granted in the Plan, or as imposed by law.

11.03 Authority and Responsibilities of the Trustee. The Trustee shall be the "Named Fiduciary" with respect to those powers and duties set forth in the Trust Agreement. The Trustee shall keep complete and accurate accounts of all of the assets of, and the transactions involving,

the Trust Fund. All such accounts shall be open to inspection by the Committee during normal business hours.

11.04 Authority and Responsibilities of the Investment Committee. The Investment Committee shall have the authority and responsibilities imposed by ARTICLE XII hereof, except to the extent delegated to other persons or otherwise provided for herein. With respect to said authority and responsibility, the Investment Committee shall be a "Named Fiduciary" and, as such, shall have no authority and responsibility other than as granted in the Plan or as imposed by law.

11.05 Authority and Responsibilities of the Asset Allocation Fiduciary. If and to the extent appointed by the Investment Committee, the Asset Allocation Fiduciary shall have the authority and responsibilities for the determination of the allocation of investments within any Target Fund or portfolio, which shall be made from other investment alternatives selected by the Investment Committee, except to the extent delegated to other persons or otherwise provided for herein. With respect to said authority and responsibility, the Asset Allocation Fiduciary shall be a "Named Fiduciary" and, as such, shall have no authority and responsibility other than as granted in the Plan or as imposed by law. If the Investment Committee does not appoint an Asset Allocation Fiduciary, the Investment Committee shall have the authority and responsibilities set forth in this section.

11.06 Limitations on Obligations of Named Fiduciaries. No Named Fiduciary shall have authority or responsibility to deal with matters other than as delegated to it under the Plan, under the Trust Agreement, or by operation of law. Except as provided by section 405 of ERISA, a Named Fiduciary shall not in any event be liable for breach of fiduciary responsibility or obligation by another fiduciary (including other Named Fiduciaries) if the responsibility or authority of the act or omission deemed to be a breach was not within the scope of the said Named Fiduciary's authority or delegated responsibility. The determination of any Named Fiduciary as to any matter involving its responsibilities hereunder shall be conclusive and binding on all persons.

11.07 Designation and Delegation. Each Named Fiduciary may designate other persons to carry out such of its responsibilities hereunder for the operation and administration of the Plan as it deems advisable and delegate to the persons so designated such of its powers as it deems necessary to carry out such responsibilities. Such designation and delegation shall be subject to such terms and conditions as the Named Fiduciary deems necessary or proper. Any action or determination made or taken in carrying out responsibilities hereunder by the persons so designated by the Named Fiduciary shall have the same force and effect for all purposes as if such action or determination had been made or taken by such Named Fiduciary.

11.08 Engagement of Assistants and Advisers. Any Named Fiduciary shall have the right to hire, at the expense of the Trust Fund, such professional assistants, counsel and consultants as it, in its sole discretion, deems necessary or advisable.

11.09 Payment of Expenses. The reasonable expenses incurred by the Named Fiduciaries in connection with the operation of the Plan, including, but not limited to, the expenses incurred by reason of the engagement of professional assistants, counsel and

consultants, shall be expenses of the Plan and shall be payable from the Trust Fund at the direction of the Committee. The Employer shall have the option, but not the obligation, to pay any such expenses, in whole or in part, and by so doing, to relieve the Trust Fund from the obligation of bearing such expenses. Payment of any such expenses by any Employer on any occasion shall not bind the Employer to thereafter pay any similar expenses.

11.10 Indemnification. Each person who is a Named Fiduciary or a member of any committee or board comprising a Named Fiduciary (other than the Trustee), and each employee of the Employer who is a delegee of a Named Fiduciary, may be indemnified by the Employer against costs, expenses and liabilities (other than amounts paid in settlement to which the Employer does not consent) reasonably incurred by him in connection with any action to which he may be a party by reason of his service as a Named Fiduciary to the extent permitted under applicable law. The foregoing right to indemnification shall be in addition to such other rights as the person may enjoy as a matter of law or by reason of insurance coverage of any kind, but shall not extend to costs, expenses and/or liabilities otherwise covered by insurance or that would be so covered by any insurance then in force if such insurance contained a waiver of subrogation. Rights granted hereunder shall be in addition to and not in lieu of any rights to indemnification to which the person may be entitled pursuant to the bylaws of the Company. Service as a Named Fiduciary shall be deemed in partial fulfillment of the person's function as an employee, officer and/or director of the Company, if he serves in that capacity as well as in the role of Named Fiduciary.

11.11 Bonding. The Committee shall arrange for such bonding as is required by law for persons who are Employees and/or members of the Board of Directors, but no bonding in excess of the amount required by law shall be considered required by the Plan. The Company shall obtain, and pay the expense of, any bond required by law.

ARTICLE XII

ADMINISTRATION

12.01 Committee. The Committee, which shall consist of at least one person, shall be appointed by and serve at the pleasure of the Compensation Committee of the Board of Directors. The termination of a Committee member's employment shall automatically constitute a resignation from the Committee. The Committee shall act by a majority of its members with minutes being recorded for each meeting. Such minutes shall be made available to any member upon written request.

12.02 Authority and Responsibility of the Committee. The Committee shall be the Plan "administrator" as such term is defined in section 3(16) of ERISA, and as such, except as otherwise set forth under the terms of the Plan, shall have the following duties and responsibilities:

(a) to adopt and enforce such rules and regulations and prescribe the use of such forms as may be deemed necessary to carry out the provisions of the Plan;

(b) to maintain and preserve records relating to Participants, former Participants, Beneficiaries and Alternate Payees in accordance with Section 12.07;

(c) to prepare and furnish to Participants, Beneficiaries and Alternate Payees all information and notices required under federal law or the provisions of the Plan;

(d) to prepare and file or publish with the Secretary of Labor, the Secretary of the Treasury, their delegates and all other appropriate government officials all reports and other information required under law to be so filed or published;

(e) to provide directions to the Trustee with respect to methods of benefit payment, valuations at dates other than regular Valuation Dates and on all other matters where called for in the Plan or requested by the Trustee;

(f) to determine all questions of the eligibility of Employees and of the status of rights of Participants, Beneficiaries and Alternate Payees, to make factual determinations, to construe the provisions of the Plan, to correct defects therein and to supply omissions thereto;

(g) to determine the amount, manner and timing of any distribution of benefits or any withdrawal under the Plan and ensure the proper application of any Federal, state, or local tax withholding or other governmental charge;

(h) to approve the repayment of any loan to a Participant under the Plan;

(i) to appoint or employ advisors, including legal counsel, to render advice with respect to any of the Committee's responsibilities under the Plan;

(j) to arrange for bonding, if required by law;

(k) to construe and interpret the Plan and make other determinations as described in Section 12.08;

(l) to provide procedures for determination of claims for benefits and to establish rules, not inconsistent with the provisions or purposes of the Plan, as it may deem necessary or desirable for the proper administration of the Plan or transaction of its business;

(m) to resolve any claim for benefits in accordance with ARTICLE XIII;

(n) to determine whether any domestic relations order constitutes a QDRO and to take such action as the Committee deems appropriate in light of such domestic relations order;

(o) to make such determinations as are required pursuant to the provisions of Section 8.04 hereof;

(p) to retain records on elections and waivers by Participants, their Spouses and their Beneficiaries and Alternate Payees;

(q) to select an independent qualified public accountant to examine, at the expense of the Company, the Trustee's accounts and records and render an opinion;

(r) to perform such other functions and duties as are set forth in the Plan that are not specifically given to another Named Fiduciary;

(s) to allocate among themselves who shall be responsible for specific fiduciary duties and to designate fiduciaries (other than the Committee members) to carry out fiduciary responsibilities (other than Trustee responsibilities) under the Plan; provided that such allocation shall be reduced to writing, signed by all Committee members and filed in a permanent Committee minute book;

(t) to take such voluntary corrective action as it considers necessary and appropriate to remedy any inequity that results from incorrect information received or communicated in good faith or as a consequence of administrative or operational error. Such steps may include, but shall not be limited to, taking any action required under the employee plans compliance resolution system of the Internal Revenue Service, any asset management or fiduciary conduct error correction program available through the Department of Labor, any similar correction program instituted by the Internal Revenue Service, Department of Labor or other administrative agency, reallocation of plan assets, adjustments in amounts of future payments to Participants, Beneficiaries or Alternate Payees under QDROs, and institution and prosecution of actions to recover benefit payments made in error or on the basis of incorrect or incomplete information;

(u) to maintain continuing review of ERISA and the Code, and implementing regulations thereto, and suggest changes and modifications to the Company in connection with amendments to the Plan; and

(v) to perform such functions and duties as are necessary to carry out its responsibilities under the Plan.

12.03 Investment Committee. The Investment Committee, which consists of at least one person, shall be appointed by and serve at the pleasure of the Compensation Committee of the Board of Directors. The termination of an Investment Committee member's employment shall automatically constitute a resignation from the Investment Committee. The Investment Committee shall have the following duties and responsibilities:

(a) selection and monitoring of the Investment Funds;

(b) establishment of investment objectives;

(c) evaluating and recommending to the Company organizations to provide services to the Plan, such as trustee, custodian, asset performance evaluation and recordkeeping services;

(d) selection and monitoring of any fiduciary consultant or other advisor who performs services on behalf of the Plan with respect to the Investment Funds; and

(e) selection and appointment of an Asset Allocation Fiduciary.

12.04 Committee Procedures. The Committee and the Investment Committee may act at a meeting or in writing without a meeting. The Company shall appoint a chairman of each of the Committee and the Investment Committee. Each of the Committee and the Investment Committee may appoint a secretary, who may or may not be a member of the committee. Each of the Committee and the Investment Committee may adopt such bylaws, regulations and charters as it deems desirable for the conduct of its affairs; provided, however, that such bylaws, regulations and charters shall not be inconsistent with any charters that may be established by the Company. All decisions of each committee shall be made by the vote of the majority (if more than one person be serving as a member), including actions in writing taken without a meeting.

12.05 Serving in More than One Capacity. An individual person may serve in more than one capacity as a fiduciary.

12.06 Appointment of the Trustee. The Compensation Committee of the Board of Directors shall have sole responsibility for appointing and removing the Trustee.

12.07 Reporting and Disclosure. To the extent required by applicable law, the Committee shall keep all individual and group records relating to Plan Participants, Beneficiaries and Alternate Payees, and all other records necessary for the proper operation of the Plan. Such records shall be made available to the Employer and to each Participant, Beneficiary and Alternate Payee for examination during normal business hours except that a Participant, Beneficiary or Alternate Payee shall examine only such records as pertain exclusively to the examining Participant, Beneficiary or Alternate Payee and those records and documents relating to all Participants generally. The Committee shall prepare and shall file as required by law or regulation all reports, forms, documents and other items required by ERISA, the Code, and every other relevant statute, each as amended, and all regulations thereunder. This provision shall not be construed as imposing upon the Committee the responsibility or authority for the preparation, preservation, publication or filing of any document required to be prepared, preserved or filed by the Trustee or by any other Named Fiduciary to whom such responsibilities are delegated by law or by the Plan.

12.08 Construction of the Plan. The Committee shall take such steps as are considered necessary and appropriate to remedy any inequity that results from incorrect information received or communicated in good faith or as the consequence of an administrative error. The Committee shall have full discretionary power and authority to make factual determinations, to interpret the Plan, to make benefit eligibility determinations, and to determine all questions arising in the administration, interpretation and application of the Plan. The Committee shall correct any defect, reconcile any inconsistency, resolve any ambiguity or supply any omission with respect to the Plan. All such corrections, reconciliations, interpretations, determinations, and completions of Plan provisions shall be final, binding and conclusive upon the parties, including the Employer, the Employees, their families, dependents, Beneficiaries and any Alternate Payees. The Committee shall have no authority, discretion, or power to add to, subtract from or modify any of the terms of the Plan, or to change or add to any benefits

provided by the Plan, or to waive or fail to apply any requirements of eligibility for a benefit under the Plan.

12.09 Compensation of the Committee and the Investment Committee. Any members of the Committee or the Investment Committee who are Employees shall not receive compensation with respect to their services as such.

12.10 Ministerial Functions. The Committee shall delegate its ministerial duties or functions to such person or persons as the Committee shall select. Such person or persons shall be responsible for the general administration of the Plan under the policy guidance of the Committee. Such person may be in the employ of the Employer and shall be compensated for services and expenses by the Employer according to its normal employment policies, without special or additional compensation for his service hereunder.

12.11 Allocation of Duties and Responsibilities. The Committee may allocate among its members or Employees any of its duties and responsibilities not already allocated under the Plan or may designate persons other than members or Employees to carry out any of the Plan Administrator's duties and responsibilities under the Plan.

ARTICLE XIII

APPLICATION FOR BENEFITS AND CLAIMS PROCEDURES

13.01 Application for Benefits. Each Participant, Beneficiary or Alternate Payee believing himself eligible for benefits under the Plan shall apply for such benefits by applying to the Committee (or a person named by the Committee to receive claims under the Plan) in the form and manner specified by the Committee. Before the date on which benefit payments commence, each such application must be supported by such information and data as the Committee deems relevant and appropriate. Evidence of age, marital status (and, in the appropriate instances, death), and location of residence shall be required of all applicants for benefits. In the event a Participant, Beneficiary or Alternate Payee fails to apply to the Committee prior to the applicable required distribution date described in Sections 8.01(c) or 8.02(b)(3), the Committee shall make diligent efforts to locate such Participant, Beneficiary or Alternate Payee and obtain such application. In the event the Participant, Beneficiary, or Alternate Payee fails to make application by the applicable date described in Section 8.01(c) or 8.02(b)(3), the Committee shall commence distribution as of such date without such application. However, if the Committee fails to locate the Participant, Beneficiary or Alternate Payee so that distribution as of the applicable date described in Section 8.01(c) or 8.02(b)(3) is not possible, the Participant, Beneficiary or Alternate Payee shall be considered a lost payee as described in Section 16.13; provided, however, that, in the event that the Participant, Beneficiary or Alternate Payee is located, payment shall be made as soon as administratively practicable after the date on which the Participant, Beneficiary or Alternate Payee is located.

13.02 Claims Procedure.

(a) Establishment of Claims Procedures. The Committee shall establish claims and appeals procedures in accordance with this Section 13.02 and applicable law and

shall afford a reasonable opportunity to any Participant whose claim for benefits has been denied for a full and fair review of the decision denying such claim.

(b) Appeals of Denied Claims for Benefits. In the event that any claim for benefits is denied in whole or in part, the Participant, Beneficiary or Alternate Payee whose claim has been so denied shall be notified of such denial in writing or electronically by the Committee (or a person named by the Committee to receive claims under the Plan). For purposes of this Section, the person or persons designated to determine initial claims shall be referred to as the "Claims Fiduciary" and the person or persons designated to determine appeals shall be referred to as the "Named Appeals Fiduciary," and any references to the Claims Fiduciary or Named Appeals Fiduciary in this Section 13.02 shall mean the Committee (and references to the Committee shall also mean the Claims Fiduciary or Named Appeals Fiduciary) as the context so provides. The Claims Fiduciary will review such request and respond within a reasonable time after receiving the claim. The notice advising of the denial shall be furnished to the Participant, Beneficiary or Alternate Payee within 90 days of receipt of the benefit claim by the Committee, unless special circumstances require an extension of time to process the claim. If an extension is required, the Claims Fiduciary shall provide notice of the extension prior to the termination of the applicable period. In no event may the extension exceed a total of 180 days from the date of the original receipt of the claim. The notice advising of the denial shall specify the reason or reasons for denial, make specific reference to pertinent Plan provisions, describe any additional material or information necessary for the claimant to perfect the claim (explaining why such material or information is needed), and shall advise the Participant, Beneficiary or Alternate Payee, as the case may be, of the procedure for the appeal of such denial and the time limits applicable to such procedures, including a statement of the claimant's right to bring a civil action under section 502(a) of ERISA following an adverse benefit determination on review. All appeals shall be made by the following procedure:

(1) The Participant, Beneficiary or Alternate Payee whose claim has been denied shall file with the Claims Fiduciary a notice of desire to appeal the denial. Such notice shall be filed within 60 days of notification by Claims Fiduciary, as the case may be, of claim denial, shall be made in writing, and shall set forth all of the facts upon which the appeal is based. In connection with any such appeal, the Participant, Beneficiary or Alternate Payee shall be provided, upon request and free of charge, reasonable access to, and copies of, all documents, records and other information relevant to the claim for benefits. Appeals not timely filed shall be barred.

(2) The Named Appeals Fiduciary shall consider the merits of the claimant's written presentations, the merits of any facts or evidence in support of the denial of benefits, and such other facts and circumstances as the Named Appeals Fiduciary shall deem relevant, without regard to whether such information was submitted or considered in the initial determination.

(3) The Named Appeals Fiduciary shall ordinarily render a determination upon the appealed claim within 60 days after its receipt which determination shall be accompanied by a written or electronic statement setting forth (i) the reasons therefor; (ii) specific references to the pertinent Plan provisions on which the decisions is based; (iii) a

description of the claimant's right to, upon request and free of charge, reasonable access to, and copies of, all documents, records and other information relevant to the claim for benefits; (iv) a description of any voluntary appeal procedures offered by the Plan; and (v) a statement of the claimant's right to bring a civil action under section 502(a) of ERISA. However, in special circumstances the Named Appeals Fiduciary may extend the response period for up to an additional 60 days, in which event it shall notify the claimant in writing prior to commencement of the extension. Any determination rendered by the Named Appeals Fiduciary shall be final and binding upon all parties.

(4) If the Claimant challenges the decision of the Named Appeals Fiduciary, a review by a court shall be permitted only in accordance with subsection (d) below. Failure to comply with the time limits set forth above will bar the claimant from filing suit in court. Any review by a court shall be limited to the facts, evidence and issues presented during the claims procedure set forth above. Facts and evidence that become known to the claimant after having exhausted the review process may be submitted for reconsideration of the review in accordance with the time limits established above. Issues not raised during the review process shall be deemed waived.

(c) Authority to Determine Claims. The Committee has exclusive authority to decide all claims under the Plan. The Committee has exclusive authority to review and resolve any appeal of a denied claim. The Committee is a Plan fiduciary with full discretionary authority to do the following: to make findings of fact; to interpret the Plan and resolve ambiguities therein; to determine whether a claimant is eligible for benefits; to decide the amount, form and timing of benefits; and to resolve any other matter which is raised by a claimant or identified by the Committee. In the case of an appeal, the decision of the Committee shall be final and binding upon all parties.

(d) Exhaustion of Claims Procedures. A claim or action (1) to recover benefits allegedly due under the Plan or by reason of any law; (2) to enforce rights under the Plan; (3) to clarify rights to future benefits under the Plan; or (4) that relates to the Plan and seeks a remedy, ruling or judgment of any kind against the Plan or a Plan fiduciary or party in interest (collectively, a "Judicial Claim"), may not be commenced in any court or forum until after the claimant has exhausted the Plan's claims and appeals procedures (an "Administrative Claim"). A claimant must raise all arguments and produce all evidence the claimant believes supports the claim or action in the Administrative Claim and shall be deemed to have waived every argument and the right to produce any evidence not submitted to the Claims and Appeal Fiduciaries as part of the Administrative Claim. Any Judicial Claim must be commenced in the appropriate court or forum no later than 24 months from the earliest of (A) the date the first benefit payment was made or allegedly due; (B) the date the Plan Administrator or its delegate first denied the claimant's request; or (C) the first date the claimant knew or should have known the principal facts on which such claim or action is based; provided, however, that, if the claimant commences an Administrative Claim before the expiration of such 24-month period, the period for commencing a Judicial Claim shall expire on the later of the end of the 24-month period and the date that is three months after the final denial of the claimant's Administrative Claim, such that the claimant has exhausted the Plan's claims and appeals procedures. Any claim or action that is commenced, filed or raised, whether a Judicial Claim or an Administrative

Claim, after expiration of such 24-month limitations period (or, if applicable, expiration of the three-month limitations period following exhaustion of the Plan's claims and appeals procedures) shall be time-barred. Filing or commencing a Judicial Claim before the claimant exhausts the Administrative Claim requirements shall not toll the 24-month limitations period (or, if applicable, the three-month limitations period).

(e) Venue. The courts of competent jurisdiction in Oklahoma City, Oklahoma shall have exclusive jurisdiction for all claims, actions and other proceedings involving or relating to the Plan, a Plan fiduciary or a party in interest, including, by way of example and not limitation, claim or action (1) to recover benefits allegedly due under the Plan or by reason of any law; (2) to enforce rights under the Plan; (3) to clarify rights to future benefits under the Plan; or (4) that relates to the Plan and seeks a remedy, ruling or judgment of any kind against the Plan or a plan fiduciary or a party in interest.

(f) Reliance on Records. The records of the Employer and any Affiliated Company with respect to length of employment, employment history, compensation, absences from employment and all other relevant matters may be conclusively relied on by the Committee for purposes of determining an individual's eligibility or entitlement to Plan benefits, the amount of Plan benefits payable to an individual, the appropriate timing of payment of Plan benefits to an individual, and so forth. If an individual claiming benefits under the Plan believes those records are incorrect, the individual may provide documentation supporting his or her position to the Committee for review and consideration. However, the decision of the Committee with respect to any records dispute shall be final and binding on all parties.

ARTICLE XIV

AMENDMENT AND TERMINATION

14.01 Amendment. The provisions of the Plan may be amended at any time and from time to time by the Company; provided, however, that:

(a) No amendment shall increase the duties or liabilities of the Committee or of the Trustee without the consent of that party;

(b) No amendment shall deprive any Participant, Beneficiary or Alternate Payee of any of the benefits to which he is entitled under the Plan with respect to contributions previously made, nor shall any amendment decrease the vested percentage of any Participant's Account nor result in the elimination or reduction of a benefit "protected" under Code section 411(d)(6), unless otherwise permitted or required by law;

(c) No amendment shall provide for the use of funds or assets held to provide benefits under the Plan other than for the benefit of Participants and their Beneficiaries or Alternate Payees or to meet the administrative expenses of the Plan, except as may be specifically authorized by statute or regulation.

Each amendment shall be approved by or pursuant to a resolution adopted by the Board of Directors (or its duly authorized delegate); provided, however, that the Committee (or

its duly authorized delegate) may make (1) any technical, administrative or compliance amendment to the Plan and (2) any amendment to the Plan that will not result in a material increase in cost of the Plan to the Company, as the Committee (or its duly authorized delegate) shall deem necessary or appropriate in its sole discretion, including any amendment and restatement of the Plan to include such amendments.

14.02 Amendments to the Vesting Schedule.

(a) If the vesting schedule under this Plan is amended, each active Participant who has completed at least three Years of Service prior to the end of the election period specified in this Section may elect, during such election period, to have the vested percentage of his Account determined without regard to such amendment.

(b) For the purposes of this Section, the election period shall begin as of the date on which the amendment changing the vesting schedule is adopted, and shall end on the latest of the following dates:

(1) the date occurring 60 days after the Plan amendment is adopted; or

(2) the date which is 60 days after the day on which the Plan amendment becomes effective; or

(3) the date which is 60 days after the day the Participant is issued written notice of the Plan amendment by the Committee or by the Employer; or

(4) such later date as may be specified by the Committee.

The election provided for in this Section shall be made in writing and shall be irrevocable when made.

14.03 Plan Termination.

(a) It is the intention of the Company that the Plan will be permanent. However, each entity constituting the Employer reserves the right to terminate its participation in this Plan by action of its board of directors or other governing body. Furthermore, the Company reserves the power to terminate the Plan at any time for any reason by action of the Board of Directors.

(b) Any termination of the Plan shall become effective as of the date designated by the Board of Directors. Except as expressly provided elsewhere in the Plan, prior to the satisfaction of all liabilities with respect to the benefits provided under the Plan, no termination shall cause any part of the funds or assets held to provide benefits under the Plan to be used other than for the benefit of Participants and their Beneficiaries or Alternate Payees or to meet the administrative expenses of the Plan. Upon termination or partial termination of the Plan, or upon complete discontinuance of contributions, the rights of all affected persons to benefits accrued to the date of such termination shall be nonforfeitable. Upon termination of the Plan, Accounts shall be distributed in accordance with applicable law.

14.04 Mergers and Consolidations of Plans. Pursuant to action by the Board of Directors, the Plan may be merged or consolidated with, or a portion of its assets and liabilities may be transferred to, another qualified plan. In the event of any merger or consolidation with, or transfer of assets or liabilities to, any other plan, each Participant shall have a benefit in the surviving or transferee plan if such plan were then terminated immediately after such merger, consolidation or transfer that is equal to or greater than the benefit he would have had immediately before such merger, consolidation or transfer in the plan in which he was then a participant had such plan been terminated at that time and no such merger, consolidation or transfer shall result in the elimination or reduction of a benefit "protected" under Code section 411(d)(6), unless otherwise permitted or required by applicable law. For the purposes hereof, former Participants, Beneficiaries and Alternate Payees shall be considered Participants.

ARTICLE XV

CHANGE OF CONTROL

15.01 Change of Control.

(a) General. In the event that there is a Change of Control (as defined in Section 15.01(b)) of the Company, then, the Accounts of all Participants in the Plan shall become immediately fully (100%) vested and nonforfeitable as of the date of the Change of Control.

(b) Definition of Change of Control. For purposes of this Section 15.01, the term "Change of Control" shall mean, and shall be deemed to have occurred, each time the date on which one of the events described in paragraph (1), (2), (3), or (4) below occurs; provided that if a Change of Control occurs by reason of an acquisition by any Person that comes within the provisions of paragraph (1) below, no additional Change of Control shall be deemed to occur under such paragraph (1) by reason of subsequent changes in holdings by such Person (except if the holdings by such Person are reduced below 30% and thereafter increase to 30% or above). For the purpose of this paragraph (b), the term "Company" shall include Devon Energy Corporation, a Delaware corporation, and any successor thereto.

(1) The acquisition by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended (the "Exchange Act")) (a "Person") if, immediately after such acquisition, such Person has beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 30% or more of either (I) the then outstanding shares of common stock of the Company (the "Outstanding Company Common Stock") or (II) the combined voting power of the then outstanding voting securities of the Company entitled to vote generally in the election of directors (the "Outstanding Company Voting Securities"); provided, however, that the following acquisitions shall not constitute a Change of Control: (A) any acquisition by an underwriter temporarily holding securities pursuant to an offering of such securities; (B) any acquisition by the Company; (C) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any corporation controlled by the Company; or (D) any acquisition by any corporation pursuant to a transaction which complies with clauses (A), (B), and (C) of paragraph (3) below.

(2) Individuals who, as of the Effective Date, constitute the Board of Directors (the "Incumbent Board") cease for any reason to constitute at least a majority of the Board; provided, however, that any individual becoming a director subsequent to the Effective Date whose election, appointment or nomination for election by the Company's shareholders was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be considered as though such individual were a member of the Incumbent Board, but excluding, for purposes of this definition, any such individual whose initial assumption of office occurs as a result of an actual or publicly threatened election contest (as such terms are used in Rule 14a-11 promulgated under the Exchange Act) with respect to the election or removal of directors or other actual or publicly threatened solicitation of proxies or consents by or on behalf of a Person other than the Board of Directors.

(3) A reorganization, share exchange, merger or consolidation (a "Business Combination"), in each case, unless, following such Business Combination, (A) all or substantially all of the individuals and entities who were the beneficial owners, respectively, of the Outstanding Company Common Stock and Outstanding Company Voting Securities immediately prior to such Business Combination beneficially own, directly or indirectly, more than 50% of, respectively, the then outstanding shares of common stock and the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the ultimate parent entity resulting from such Business Combination (including, without limitation, an entity which, as a result of such transaction, has ownership of the Company or all or substantially all of the assets of the Company either directly or through one or more subsidiaries) in substantially the same relative proportions as their ownership, immediately prior to such Business Combination of the Outstanding Company Common Stock and Outstanding Company Voting Securities, as the case may be, (B) no Person (excluding any employee benefit plan (or related trust) of the Company or such corporation resulting from such Business Combination) beneficially owns, directly or indirectly, 30% or more of, respectively, the then outstanding common stock of the ultimate parent entity resulting from such Business Combination or the combined voting power of the then outstanding voting securities of such entity except to the extent that such ownership existed prior to the Business Combination, and (C) at least a majority of the members of the board of directors of the corporation resulting from such Business Combination were members of the Incumbent Board at the time of the execution of the initial agreement, or of the action of the Incumbent Board providing for such Business Combination, or were elected, appointed or nominated by the Incumbent Board.

(4) Approval by the shareholders of the Company of (A) a complete liquidation or dissolution of the Company or, (B) the sale or other disposition of all or substantially all of the assets of the Company, other than to an entity with respect to which following such sale or other disposition, (i) more than 50% of, respectively, the then outstanding shares of common stock of such entity and the combined voting power of the then outstanding voting securities of such entity entitled to vote generally in the election of directors is then beneficially owned, directly or indirectly, by all or substantially all of the individuals and entities who were the beneficial owners, respectively, of the Outstanding Company Common Stock and Outstanding Company Voting Securities immediately prior to such sale or other disposition in substantially the same relative proportions as their ownership, immediately prior to such sale or

other disposition, of the Outstanding Company Common Stock and Outstanding Company Voting Securities, as the case may be, (ii) less than 30% of, respectively, the then outstanding shares of common stock of such entity and the combined voting power of the then outstanding voting securities of such entity entitled to vote generally in the election of directors is then beneficially owned, directly or indirectly, by any Person (excluding any employee benefit plan (or related trust) of the Company or such entity), except to the extent that such Person owned 30% or more of the Outstanding Company Common Stock or Outstanding Company Voting Securities prior to the sale or disposition, and (iii) at least a majority of the members of the board of directors of such entity were members of the Incumbent Board at the time of the execution of the initial agreement, or of the action of the Incumbent Board providing for such sale or other disposition of assets of the Company, or were elected, appointed or nominated by the Incumbent Board.

15.02 Amendment of this ARTICLE XV by the Company. Notwithstanding any of the provisions in the Plan to the contrary, this ARTICLE XV may be amended or deleted in any manner as the Company determines prior to the time that a Change of Control occurs. Upon or after a Change of Control, this ARTICLE XV may not be amended, modified or terminated without the consent of the affected Participant unless such amendment, modification or termination is necessary to satisfy the requirements of the Code and the failure to satisfy such requirements of the Code would result in the disqualification of the Plan.

ARTICLE XVI

MISCELLANEOUS PROVISIONS

16.01 Nonalienation of Benefits.

(a) Except as provided in Section 16.01(b), none of the payments, benefits or rights of any Participant, Alternate Payee or Beneficiary shall be subject to any claim of any creditor, and, in particular, to the fullest extent permitted by law, all such payments, benefits and rights shall be free from attachment, garnishment, trustee's process, or any other legal or equitable process available to any creditor of such Participant, Alternate Payee or Beneficiary. Except as provided in Section 16.01(b), no Participant, Alternate Payee or Beneficiary shall have the right to alienate, anticipate, commute, pledge, encumber or assign any of the benefits or payments which he may expect to receive, contingently or otherwise, under the Plan, except the right to designate a Beneficiary or Beneficiaries as hereinabove provided.

(b) Compliance with the provisions and conditions of (1) any QDRO, (2) any federal tax levy made pursuant to Code section 6331, or (3) subject to the provisions of Code section 401(a)(13), a judgment relating to the Participant's conviction of a crime involving the Plan or a judgment, order, decree or settlement agreement between the Participant and the Secretary of Labor or the Pension Benefit Guaranty Corporation relating to a violation (or an alleged violation) of part 4 of subtitle B of title I of ERISA shall not be considered a violation of this provision.

16.02 No Contract of Employment. Neither the establishment of the Plan, nor any modification thereof, nor the creation of any fund, trust or account, nor the payment of any

benefits shall be construed as giving any Participant or Employee, or any person whomsoever, the right to be retained in the service of the Employer, and all Participants and other Employees shall remain subject to discharge to the same extent as if the Plan had never been adopted.

16.03 Severability of Provisions. If any provision of the Plan shall be held invalid or unenforceable, such invalidity or unenforceability shall not affect any other provisions hereof, and the Plan shall be construed and enforced as if such provisions had not been included.

16.04 Heirs, Assigns and Personal Representatives. This Plan shall be binding upon the heirs, executors, administrators, successors and assigns of the parties, including each Participant, Beneficiary and Alternate Payee, present and future (except that no successor to the Employer shall be considered a Plan sponsor unless that successor adopts the Plan).

16.05 Headings and Captions. The headings and captions herein are provided for reference and convenience only, shall not be considered part of the Plan, and shall not be employed in the construction of the Plan.

16.06 Gender and Number. Except where otherwise clearly indicated by context, the masculine and the neuter shall include the feminine and the neuter, the singular shall include the plural, and vice-versa.

16.07 Controlling Law. This Plan shall be construed and enforced according to the laws of the State of Oklahoma to the extent not preempted by federal law, which shall otherwise control. All contributions to the Trust Fund shall be deemed to take place in the State of Oklahoma.

16.08 Funding Policy. The Investment Committee appointed under Section 12.03 (or the Committee, if no Investment Committee has been appointed) shall establish, and communicate to the Trustee, a funding policy and method consistent with the objectives of the Plan and of the Trust Fund.

16.09 Title to Assets; Source of Benefits. No person shall have any right to, or interest in, any assets of the Trust Fund, except as provided from time to time under the Plan, and then only to the extent of the benefits payable under the Plan to such person or out of the assets of the Trust Fund. All payments of benefits as provided for in the Plan shall be made from the assets of the Trust Fund, and neither the Employer nor any other person shall be liable therefore in any manner.

16.10 Payments to Minors, Etc. Any benefit payable to or for the benefit of a Participant, a Beneficiary, a minor, an incompetent person or other person incapable of receipting therefor shall be deemed paid when paid to such person's legal representative, guardian, committee appointed for such Participant or Beneficiary, or to the party providing or reasonably appearing to provide for the care of such person, and such payment (which may be in installments) shall fully discharge the Trustee, the Committee, the Employer and all other parties with respect thereto. The Committee may require such Participant, legal representative, Beneficiary, guardian or committee, as a condition precedent to such payment, to execute a receipt and release thereof in such form as shall be determined by the Trustee or Employer.

16.11 Reliance on Data and Consents. The Employer, the Trustee, the Committee, all fiduciaries with respect to the Plan, and all other persons or entities associated with the operation of the Plan, the management of its assets, and the provision of benefits thereunder, may reasonably rely on the truth, accuracy and completeness of all data provided by any Participant, Beneficiary or Alternate Payee, including, without limitation, data with respect to age, health and marital status. Furthermore, the Employer, the Trustee, the Committee and all fiduciaries with respect to the Plan may reasonably rely on all consents, elections and designations filed with the Plan or those associated with the operation of the Plan and its corresponding trust by any Participant, the spouse of any Participant, any Beneficiary of any Participant, any Alternate Payee of any Participant or the representatives of such persons without duty to inquire into the genuineness of any such consent, election or designation. None of the aforementioned persons or entities associated with the operation of the Plan, its assets and the benefits provided under the Plan shall have any duty to inquire into any such data, and all may rely on such data being current to the date of reference, it being the duty of the Participants, spouses of Participants, Beneficiaries and Alternate Payees to advise the appropriate parties of any change in such data.

16.12 Deemed Acceptance of Act or Omission by a Plan Fiduciary. If a Plan fiduciary (as determined under ERISA) or an individual or entity with authority delegated by a Plan fiduciary, acts or fails to act with respect to a Participant or a Participant's Account under the Plan and the Participant has direct or indirect knowledge of such act or failure to act, the Participant's failure to notify the Plan fiduciary (or the Plan fiduciary's delegate) within a reasonable period of time that such act or failure to act was incorrect or inconsistent with the Participant's intent or election shall be deemed to be an acceptance and ratification of the Plan fiduciary's (or the Plan fiduciary's delegate) act or failure to act.

16.13 Lost Payees. A benefit shall be deemed forfeited, and used as set forth in Section 7.04(b), if the Committee is unable to locate a Participant, a Beneficiary or an Alternate Payee to whom payment is due; provided, however, that such benefit shall be reinstated, without any earnings from the date deemed forfeited to the date reinstated, if a claim is made by the party to whom properly payable.

16.14 No Warranties. Neither the Board of Directors nor its members nor the Committee nor the Company nor any Employer nor any Affiliated Company nor the Trustee warrants or represents in any way that the value of each Participant's Accounts will increase or will not decrease. The Participant assumes all risk in connection with any change in values.

16.15 Notices. Each Participant, Beneficiary and Alternate Payee shall be responsible for furnishing the Committee with the current and proper address for the mailing of notices, reports and benefit payments. Any notice required or permitted to be given shall be deemed given if directed to the person to whom addressed at such address and mailed by regular United States mail, first-class and prepaid. If any check mailed to such address is returned as undeliverable to the addressee, mailing of checks will be suspended until the Participant, Beneficiary or Alternate Payee furnishes the proper address. This provision shall not be construed as requiring the mailing of any notice or notification if the regulations issued under ERISA deem sufficient notice to be given by the posting of notice in appropriate places, or by any other publication device.

16.16 Recovery of Overpayment. The Plan has a right of reimbursement against any person who receives or holds a payment from the Plan in excess of the amount to which a Participant, Spouse, Alternate Payee, or Beneficiary is entitled under the terms of the Plan. The Plan's right to recover overpayments from any Participant, Spouse, Alternate Payee or Beneficiary exists regardless of the error, event or other circumstances giving rise to the overpayment and shall not be conditioned upon or mitigated by the behavior of any involved party. The Participant, Spouse, Alternate Payee, or Beneficiary shall not be permitted to raise reliance, estoppel or other legal or equitable defenses in response to any action by the Plan to recovery an overpayment. The Plan's right to recovery is an equitable lien by agreement, and the Committee or Trustee may recover the amount overpaid in any manner determined by the Committee or Trustee to be in the best interests of the Plan, including, but not limited to, by legal action against the recipient and/or holder of the overpayment or by offset against other or future benefits payable to or with respect to the Participant, Spouse, Alternate Payee, or Beneficiary under the Plan, regardless of whether the overpaid amounts remain in his or her possession. The provisions of this Section are intended to clarify existing rights of the Plan and apply to all past or future overpayments.

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This amended and restated version of the Devon Energy Corporation Incentive Savings Plan is executed this 9th day of December, 2021.

DEVON ENERGY CORPORATION

By:	/s/Tana K. Cashion
Name:	Tana K. Cashion
Title:	Senior Vice President Human Resources and Administration

APPENDIX A

DIRECT TRANSFER FROM KERR-MCGEE CORPORATION SAVINGS INVESTMENT PLAN

This Appendix A shall apply with regard to those Employees (whether or not Participants under the Plan) whose Accounts under the Plan include amounts transferred to the Trust Fund from the Kerr-McGee Savings Investment Plan (the "KM Plan") in connection with the merger, effective as of January 1, 1997, of the KM Plan with and into the Plan.

1. Plan Merger. The KM Plan shall be merged with and into the Plan, effective as of January 1, 1997. The provisions of the Plan shall become fully applicable to the participants, former participants, beneficiaries and alternate payees of the KM Plan, except as provided in this Appendix.

2. Date of Plan Participation. All Employees with undistributed account balances in the KM Plan that were merged with and into the Plan shall be eligible to become Participants in the Plan effective January 1, 1997. Any individual who participated in the KM Plan but who terminated employment prior to, and who does not have an Employment Commencement Date on or after, January 1, 1997, shall not become a Participant in the Plan, except for a limited purpose, including, without limitation, investment allocation and distributions, as outlined in Section 3.06.

3. Asset Transfer Provisions. Notwithstanding the provisions of the Plan, the following provisions shall apply:

   (a) Transfer of Plan Assets. Effective as of January 1, 1997, or as soon as administratively practicable thereafter, assets and liabilities from the trust fund for the KM Plan shall be transferred to the Trust Fund. All assets and liabilities transferred to the Plan from the trust fund for the KM Plan shall be administered in accordance with the generally applicable terms of the Plan, together with such other provisions that are applicable to former participants in the KM Plan ("KM Plan Participants") as set forth in this Appendix

   (b) Regulatory Requirements. As required by Treas. Reg. § 414(l)-1(d), each employee who has an account balance from the KM Plan transferred to the Plan shall receive a benefit immediately after the transfer contemplated under subsection (a) above that is equal to or greater than the benefit that he would have been entitled to receive immediately before such transfer (as if either the KM Plan or the Plan had then terminated).

   (c) Segregation of Transferred Amounts. The Committee shall separately account for the amounts transferred to the Plan pursuant to subsection (a) above for recordkeeping purposes and shall establish such segregated accounts or subaccounts as are necessary to provide for this separate accounting. These separate accounts and subaccounts shall be referred to collectively as the "KM

Accounts." Except as otherwise provided in this Appendix, the KM Accounts shall be treated in the same manner as all other Accounts under the Plan.

4. Special Conditions. Notwithstanding the provisions of the Plan, the following provisions shall apply:

(a) Special Vesting of KM Plan Participants. Notwithstanding anything to the contrary herein, KM Plan Participants shall be 100% vested in all KM Accounts.

(b) KM Accounts.

(i) "SMART Savings Contributions Account," as defined in the KM Plan, shall mean those monies held in that account which are transferred to the Plan. The SMART Savings Contributions Account shall be considered a part of the Salary Deferral Account.

(ii) "KM Matching Contributions Account," as defined in the KM Plan under the term "Matching Contributions Account," shall mean those monies held in that account which are transferred to the Plan. The KM Matching Contributions Account shall be considered part of the Matching Contributions Account.

(iii) "CAPITAL Savings Contributions Account," as defined in the KM Plan, means the monies held in that account which are transferred to the Plan. The CAPITAL Savings Contributions Account represents after-tax contributions (nondeductible contributions) for all purposes.

(c) KM Account Withdrawals. The following provisions shall apply to the KM Accounts of any Participant:

(i) A Participant may withdraw any portion of the value of his CAPITAL Savings Contributions Account in whole dollars. In addition, a Participant may withdraw vested amounts from his KM Matching Contributions Account, except that a Participant who has not been a Participant under the KM Plan and/or the Plan for at least five years shall not be permitted to make such a withdrawal with respect to any Matching Contributions which have not been credited to his Matching Contributions Account for at least two years. Except as may be required by law, such withdrawal shall be first from the CAPITAL Savings Contributions Account and then from the Matching Contributions Account.

(ii) All withdrawal requests pursuant to this Appendix shall be filed with the Committee and shall be made on such withdrawal request form and in such manner as the Committee may prescribe from time to time. In addition, withdrawals and withdrawal payments pursuant to this Appendix shall be subject to and made in accordance with such rules and procedures as the Committee may prescribe from time to time, including rules

governing the withdrawal and charging of withdrawal payments among the subaccounts in the Participant's KM Account in the case of a withdrawal of less than 100% of the funds available for withdrawal. Withdrawals from a Participant's CAPITAL Savings Contribution Account shall be attributed to the Participant's CAPITAL Savings Contributions made prior to January 1, 1987, to the extent allowed by the Code.

(iii) A Participant shall not be permitted to make more than one in-service withdrawal from his KM Account under the provisions of subsection (i) above during any 12-month period.

APPENDIX B

PENNZENERGY COMPANY SAVINGS AND INVESTMENT PLAN MERGER

This Appendix B shall apply with regard to those employees who were previously employed by PennzEnergy Company ("Pennz") whose Accounts under the Plan include amounts transferred to the Plan from the PennzEnergy Company Savings and Investment Plan (the "Pennz Plan") in connection with the merger, effective as of November 1, 2000, of the Pennz Plan with and into the Plan.

1. Plan Merger. The Pennz Plan shall be merged with and into the Plan, effective as of November 1, 2000. The provisions of the Plan shall become fully applicable to the participants, former participants, beneficiaries and alternate payees of the Pennz Plan, except as provided in this Appendix.

2. Date of Plan Participation. Any participant in the Pennz Plan on October 31, 2000 shall become a Participant in the Plan on November 1, 2000; provided, however, that any individual who participated in the Pennz Plan but who terminated employment prior to, and who does not have an Employment Commencement Date on or after, November 1, 2000 shall not become a Participant in the Plan, except for a limited purpose, including, without limitation, investment allocation and distributions, as outlined in Section 3.06 of the Plan.

3. Asset Transfer Provisions. Notwithstanding the provisions of the Plan, the following provisions shall apply:

   (a) Transfer of Plan Assets. Effective as of November 1, 2000, or as soon as administratively practicable thereafter, assets and liabilities from the trust fund for the Pennz Plan shall be transferred to the Trust Fund. All assets and liabilities transferred to the Plan from the trust fund for the Pennz Plan shall be administered in accordance with the generally applicable terms of the Plan, together with such other provisions that are applicable to former participants in the Pennz Plan ("Pennz Plan Participants") as set forth in this Appendix.

   (b) Regulatory Requirements. As required by Treas. Reg. § 414(l)-1(d), each Pennz employee who has an account balance from the Pennz Plan transferred to the Plan shall receive a benefit immediately after the transfer contemplated under subsection (a) above that is equal to or greater than the benefit that he would have been entitled to receive immediately before such transfer (as if either the Pennz Plan or the Plan had then terminated).

   (c) Segregation of Transferred Amounts. The Committee shall separately account for the amounts transferred to the Plan pursuant to subsection (a) above for record-keeping purposes and shall establish such segregated accounts or subaccounts as are necessary to provide for this separate accounting. These separate accounts and subaccounts shall be referred to collectively as the "Pennz Accounts." Except

as otherwise provided in this Appendix, the Pennz Accounts shall be treated in the same manner as all other Accounts under the Plan.

4. Special Conditions. Notwithstanding the provisions of the Plan, the following provisions shall apply:

(a) Special Vesting of Pennz Accounts. Pennz Accounts that were fully (100%) vested and nonforfeitable when transferred to the Trust Fund as set forth in Section 3(a) of this Appendix shall remain fully (100%) vested and nonforfeitable in this Plan, including:

(i) Pennz Accounts of any Participant who was a participant in the Pennz Plan and who was subject to immediate taxation on his employer matching contributions under the Pennz Plan pursuant to applicable Canadian income tax laws.

(ii) Pennz Accounts of any Participant who was employed by Pennzoil Sulphur Company as of June 30, 1994 whose service with the Pennzoil Sulphur Company is terminated from and after July 1, 1994 and on or before December 31, 1995.

(iii) Pennz Accounts of any Participant who terminated service by reason of the sale of Vermejo Park by Pennzoil Company on or about June 1, 1996.

(iv) Any portion of Pennz Accounts which were previously in the Pennz Plan and were invested in shares of Pennzoil-Quaker State Company, or the proceeds of the sale of such stock.

(v) Pennz Accounts of any Participant who was a participant in the Pennz Plan and who was an employee of Pennz in active service on May 19, 1999 and who terminated employment with Pennz or the Company prior to the second anniversary of the closing date of the "Transaction" contemplated by, and as defined in, the Amended and Restated Agreement and Plan of Merger by and among the Company, Devon Oklahoma Corporation and Pennz, dated as of May 19, 1999.

(b) Special Vesting of Certain Pennz Plan Participants. Notwithstanding anything to the contrary herein, any Participant who is a Pennz Plan Participant and whose employment with the Company terminated between August 18, 2000 and August 18, 2002 will be 100% vested in all of his Accounts in the Plan.

(c) Pennz After-Tax Contribution Account and Withdrawals. The following provisions shall apply to the Pennz After-Tax Contribution Account of any Participant:

(i) "Pennz After-Tax Contribution Account" shall mean the separate Account representing a Participant's nondeductible contributions that were made to

the Pennz Plan and transferred to the Plan as described in Section 3(a) of this Appendix, including all earnings and gains attributable thereto and reduced by all losses attributable thereto, all expenses chargeable there against and by all withdrawals and distributions therefrom.

(ii) A Participant may, in the manner prescribed by the Committee, request a withdrawal from his Pennz After-Tax Contribution Account. No forfeitures will occur solely as a result of the Participant's withdrawal of all or part of his Pennz After-Tax Contribution Account. After receipt of the request, the Committee shall cause the Trustee to pay over the designated amount in not less than 90 days from the date such request shall have been delivered to the Committee.

(iii) All Pennz After-Tax Contributions made prior to January 1, 1987 will be maintained in a separate subaccount (the "Pre-1987 Account") which is part of the Participant's Pennz After-Tax Contribution Account. Withdrawals made from the Pre-1987 Account made under subsection (ii) above will not include any earnings attributable to such Pre-1987 Account.

(iv) All Pennz After-Tax Contributions made after December 31, 1986 will be maintained in a separate subaccount (the "After-1986 Account") which is part of the Participant's Pennz After-Tax Contribution Account. Withdrawals made from the After-1986 Account as provided under subsection (ii) above will include earnings attributable to such After-1986 Account. The amount of earnings on Pennz After-Tax Contributions which must be distributed with each withdrawal will be calculated by multiplying the total amount of earnings then held in the After-1986 Account by a fraction the numerator of which is the amount of Pennz After-Tax Contributions that is included in the distribution and the denominator of which is the balance of all Pennz After-Tax Contributions then held in the After-1986 Account.

(d) Withdrawal of Rollover Account. A Participant who is a Pennz Plan Participant may withdraw any or all of his Rollover Account by giving 30 days' prior notice to the Committee.

(e) In-Service Withdrawals. A Participant who is a Pennz Plan Participant and has participated in the Pennz Plan and/or the Plan for at least five full Plan Years shall be entitled, at his election, to receive a distribution of all or any portion of his vested Employer Contribution Account attributable to the balance in his Employer Contribution Account on November 1, 2000, provided that the Participant has previously withdrawn the entire amount of his "Prior Plan Account" (as defined in the Pennz Plan) and his Rollover Account, if any, and the Participant is not on suspended status; provided, further, that a Participant may make only one withdrawal under this subsection (e) every five full Plan Years.

(f) Loans to Pennz Plan Participants. Notwithstanding anything in the Plan to the contrary, the Committee may make a loan with a term not in excess of 20 years to a Participant who is a Pennz Plan Participant if the proceeds of such loan are used to purchase any dwelling within a reasonable time that is to be used as a principal residence of the Participant.

APPENDIX C

SANTA FE ENERGY SNYDER SAVINGS INVESTMENT PLAN MERGER

This Appendix C shall apply with regard to those employees who were previously employed by Santa Fe Snyder Corporation or any subsidiary ("Santa Fe") whose Accounts under the Plan include amounts transferred to the Plan from Santa Fe Energy Snyder Savings Investment Plan (the "Santa Fe Plan") in connection with the merger, effective January 1, 2001, of the Santa Fe Plan with and into the Plan.

1. Plan Merger. The Santa Fe Plan shall be merged with and into the Plan, effective as of January 1, 2001. The provisions of the Plan shall become fully applicable to the participants, former participants, beneficiaries and alternate payees of the Santa Fe Plan, except as provided in this Appendix.

2. Date of Plan Participation. Each Participant who was employed by the Employer on August 29, 2000 and continued to be employed by such Employer immediately thereafter shall continue to participate in the Plan in accordance with its terms. Notwithstanding anything in to the contrary herein, any Employee who was employed by Santa Fe immediately prior to the merger of a subsidiary of the Company with and into Santa Fe on August 29, 2000 shall not be eligible to participate in the Plan. Any participant in the Santa Fe Plan on December 31, 2000 shall become a Participant in the Plan on January 1, 2001. Any individual who participated in the Santa Fe Plan but who terminated employment prior to, and who does not have an Employment Commencement Date on or after, January 1, 2001, shall not become a Participant in the Plan, except for a limited purpose, including, without limitation, investment allocation and distributions, as outlined in Section 3.06 of the Plan.

3. Asset Transfer Provisions. Notwithstanding the provisions of the Plan, the following provisions shall apply:

   (a) Transfer of Plan Assets. Effective as of January 1, 2001, or as soon as administratively practicable thereafter, assets and liabilities from the trust fund for the Santa Fe Plan shall be transferred to the Trust Fund. All assets and liabilities transferred to the Plan from the trust fund for the Santa Fe Plan shall be administered in accordance with the generally applicable terms of the Plan, together with such other provisions that are applicable to former participants in the Santa Fe Plan ("Santa Fe Plan Participants") as set forth in this Appendix.

   (b) Regulatory Requirements. As required by Treas. Reg. § 414(l)-1(d), each Santa Fe employee who has an account balance from the Santa Fe Plan transferred to the Plan shall receive a benefit immediately after the transfer contemplated under subsection (a) above that is equal to or greater than the benefit that he would have been entitled to receive immediately before such transfer (as if either the Santa Fe Plan or the Plan had then terminated).

(c) Segregation of Transferred Amounts. The Committee shall separately account for the amounts transferred to the Plan pursuant to subsection (a) above for record-keeping purposes and shall establish such segregated accounts or subaccounts as are necessary to provide for this separate accounting. These separate accounts and subaccounts shall be referred to collectively as the "Santa Fe Accounts." Except as otherwise provided in this Appendix, the Santa Fe Accounts shall be treated in the same manner as all other Accounts under the Plan.

4. Special Conditions. Notwithstanding the provisions of the Plan, the following provisions shall apply:

(a) Special Vesting of Certain Santa Fe Plan Participants. Notwithstanding anything to the contrary herein, any Participant who became a participant in the Santa Fe Plan on the original effective date of the Santa Fe Plan, or was a participant in the Santa Fe Plan on May 5, 1999 (including those who became participants in the Santa Fe Plan upon the merger of the Snyder Oil Corporation Profit Sharing and Savings Plan into the Santa Fe Plan), shall be 100% vested in all of his Accounts at all times after such applicable event.

(b) Santa Fe After-Tax Contribution Account and Withdrawals. The following provisions shall apply to the Santa Fe After-Tax Contribution Account of any Participant:

(i) "Santa Fe After-Tax Contribution Account" shall mean the separate Account representing a Participant's nondeductible contributions that were held in his SFP Plan Participant Contributions Account in the Santa Fe Plan and merged into the Plan as described in Section 3(a) of this Appendix, including all earnings and gains attributable thereto and reduced by all losses attributable thereto, all expenses chargeable there against and by all withdrawals and distributions therefrom.

(ii) A Participant may, in the manner prescribed by the Committee, request a withdrawal from his Santa Fe After-Tax Contribution Account. No forfeitures will occur solely as a result of the Participant's withdrawal of all or part of his Santa Fe After-Tax Contribution Account. After receipt of the request, the Committee shall cause the Trustee to pay over the designated amount in not less than 90 days from the date such request shall have been delivered to the Committee.

(iii) All Santa Fe After-Tax Contributions made prior to January 1, 1987 will be maintained in a separate subaccount (the "Pre-1987 Account") which is part of the Participant's Santa Fe After-Tax Contribution Account. Withdrawals made from the Pre-1987 Account made under subsection (ii) above will not include any earnings attributable to such Pre-1987 Account.

(iv) All Santa Fe After-Tax Contributions made after December 31, 1986 will be maintained in a separate subaccount (the "After-1986 Account") which

is part of the Participant's Santa After-Tax Contribution Account. Withdrawals made from the After-1986 Account as provided under subsection (ii) above will include earnings attributable to such After-1986 Account. The amount of earnings on Santa Fe After-Tax Contributions which must be distributed with each withdrawal will be calculated by multiplying the total amount of earnings then held in the After-1986 Account by a fraction the numerator of which is the amount of Santa Fe After-Tax Contributions that is included in the distribution and the denominator of which is the balance of all Santa Fe After-Tax Contributions then held in the After-1986 Account.

APPENDIX D

MITCHELL ENERGY & DEVELOPMENT CORP.
THRIFT & SAVINGS PLAN MERGER

This Appendix D shall apply with regard to those employees who were previously employed by Mitchell Energy & Development Corp. ("Mitchell") whose Accounts under the Plan include amounts transferred to the Plan from Mitchell Energy & Development Corp. Thrift & Savings Plan (the "Mitchell Savings Plan") in connection with the merger, effective March 1, 2002, of the Mitchell Plan and the Mitchell Energy Development Corp. Thrift & Savings Trust (the "Mitchell Trust") with and into the Plan.

1. Plan Merger. The Mitchell Savings Plan shall be merged with and into the Plan, and the Trust Fund shall accept the assets and liabilities of the Mitchell Trust, effective as of March 1, 2002. The provisions of the Plan shall become fully applicable to the participants, former participants, beneficiaries and alternate payees of the Mitchell Savings Plan, except as provided in this Appendix.

2. Date of Plan Participation. All Employees who are "members" (the "Members") (as such term is defined in the Mitchell Savings Plan) in the Mitchell Savings Plan immediately prior to March 1, 2002 shall be eligible to become Participants in the Plan upon March 1, 2002. Any individual who participated in the Mitchell Savings Plan but who terminated employment prior to, and who does not have an Employment Commencement Date on or after, March 1, 2002, shall not become a Participant in the Plan, except for a limited purpose, including, without limitation, investment allocation and distributions, as outlined in Section 3.06 of the Plan.

3. Asset Transfer Provisions. Notwithstanding the provisions of the Plan, the following provisions shall apply:

   (a) Transfer of Plan Assets. Effective as of March 1, 2002, or as soon as administratively practicable thereafter, assets and liabilities from the Mitchell Trust shall be transferred to the Trust Fund. All assets and liabilities transferred to the Plan from the Mitchell Trust shall constitute the beginning balances of the individual accounts in the Plan of the Members and shall be administered in accordance with the generally applicable terms of the Plan, together with such other provisions that are applicable to former participants in the Mitchell Savings Plan ("Mitchell Savings Plan Participants") as set forth in this Appendix.

   (b) Regulatory Requirements. As required by Treas. Reg. § 414(l)-1(d), each Mitchell employee who has an account balance from the Mitchell Savings Plan transferred to the Plan shall receive a benefit immediately after the transfer contemplated under subsection (a) above that is equal to or greater than the benefit that he would have been entitled to receive immediately before such transfer (as if either the Mitchell Savings Plan or the Plan had then terminated).

(c) Segregation of Transferred Amounts. The Committee shall separately account for the amounts transferred to the Plan pursuant to subsection (a) above for record-keeping purposes and shall establish such segregated accounts or subaccounts as are necessary to provide for this separate accounting. These separate accounts and subaccounts shall be referred to collectively as the "Mitchell Accounts." Except as otherwise provided in this Appendix, the Mitchell Accounts shall be treated in the same manner as all other Accounts under the Plan. Notwithstanding the foregoing, the "Cash or Deferred Accounts" and "Member Match Contribution Accounts" (each as defined under the Mitchell Savings Plan) of Mitchell Savings Plan Participants shall be maintained as "Salary Deferral Accounts" and "Matching Contribution Accounts" under the Plan.

4. Special Conditions. Notwithstanding the provisions of the Plan, the following provisions shall apply:

(a) Special Years of Service Rules for Certain Mitchell Savings Plan Participants. Any Employee who was in active employment of Mitchell and who became an employee of an Employer or Affiliated Company on the date the Company acquired the stock of and merged with Mitchell (January 24, 2002) (the "Acquisition Date") shall receive credit for Years of Service under the Plan consisting of (i) the years and months of service for vesting credited to the Employee under the Mitchell Savings Plan prior to the Mitchell Savings Plan's vesting computation period during which the merger of the Mitchell Savings Plan into the Plan occurs and (ii) the greater of (A) the Years of Service that would be credited to the Employee under the Plan for his service during the eligibility computation period of the Plan during which the merger of the Mitchell Savings Plan into the Plan occurs or (B) the vesting service credited to the Employee under the Mitchell Savings Plan as of March 1, 2002 less the vesting service taken into account under the foregoing clause (i)

(b) Vesting for Mitchell Savings Plan Participants. Any unvested portions of the transferred account balances credited to the Mitchell Accounts shall continue to vest in accordance with the terms of the Plan. Notwithstanding the foregoing, however, any Mitchell Savings Plan Participant whose employment is involuntarily terminated within one year of the Acquisition Date shall be fully (100%) vested in his Mitchell Accounts as of such date.

(c) Optional Forms of Benefit Preserved. Any forms of distribution available under the Mitchell Savings Plan, but not available under the Plan on the day before the March 1, 2002, shall be available solely as to the assets held in the Mitchell Accounts attributable to participation in the Mitchell Savings Plan. In addition, any forms of distribution available under the Plan on the day before the March 1, 2002 merger shall be available as to amounts credited to all Accounts maintained under the Plan, including the Mitchell Accounts.

APPENDIX E

OCEAN RETIREMENT SAVINGS PLAN MERGER

This Appendix E shall apply with regard to those employees who were previously employed by Ocean Energy, Inc. ("Ocean") whose Accounts under the Plan include amounts transferred to the Plan from the Ocean Retirement Savings Plan (the "Ocean Plan") in connection with the merger, effective as of January 1, 2004, of the Ocean Plan with and into the Plan.

1. Plan Merger. The Ocean Plan shall be merged with and into the Plan, effective as of January 1, 2004. The provisions of the Plan shall become fully applicable to the participants, former participants, beneficiaries and alternate payees of the Ocean Plan, except as provided in this Appendix.

2. Date of Plan Participation. Effective January 1, 2004, every Employee who was employed by Ocean as of April 25, 2003, was an active participant in the Ocean Plan and is an Employee as of January 1, 2004 shall be a Participant in the Plan. An individual who participated in the Ocean Plan but who terminated employment prior to, and who does not have an Employment Commencement Date on or after, January 1, 2004, shall not become a Participant in the Plan, except for a limited purpose, including, without limitation, investment allocation and distributions, as outlined in Section 3.06 of the Plan.

3. Asset Transfer Provisions. Notwithstanding the provisions of the Plan, the following provisions shall apply:

   (a) Transfer of Plan Assets. Effective as of January 1, 2004, or as soon as administratively practicable thereafter, assets and liabilities from the trust fund for the Ocean Plan shall be transferred to the Trust Fund. All assets and liabilities transferred to the Plan from the trust fund for the Ocean Plan shall be administered in accordance with the generally applicable terms of the Plan, together with such other provisions that are applicable to former participants in the Ocean Plan ("Ocean Plan Participants") as set forth in this Appendix.

   (b) Regulatory Requirements. As required by Treas. Reg. § 414(l)-1(d), each Ocean employee who has an account balance from the Ocean Plan transferred to the Plan shall receive a benefit immediately after the transfer contemplated under subsection (a) above that is equal to or greater than the benefit that he would have been entitled to receive immediately before such transfer (as if either the Ocean Plan or the Plan had then terminated).

   (c) Segregation of Transferred Amounts. The Committee shall separately account for the amounts transferred to the Plan pursuant to subsection (a) above for record-keeping purposes and shall establish such segregated accounts or subaccounts as are necessary to provide for this separate accounting. These separate accounts and subaccounts shall be referred to collectively as the "Ocean Accounts." Except as otherwise provided in this Appendix, the Ocean Accounts shall be treated in the same manner as all other Accounts under the Plan.

4. Special Conditions. Notwithstanding the provisions of the Plan, the following provisions shall apply:

(a) Ocean Accounts. The Ocean Accounts shall be held in the Plan and credited to the applicable corresponding account in the Plan.

(i) "Ocean After-Tax Contribution Account" shall mean the separate Account representing a Participant's nondeductible contributions that were made to the Ocean Plan and transferred to the Plan as described in Section 3(a) of this Appendix, including all earnings and gains attributable thereto and reduced by all losses attributable thereto, all expenses chargeable there against and by all withdrawals and distributions therefrom.

(ii) "Ocean Before-Tax Contribution Account" shall mean the account established pursuant to the Ocean Plan that represents a Participant's deferrals under Section 401(k) of the Code into the Ocean Plan, including all earnings and gains attributable thereto and reduced by all losses attributable thereto, all expenses chargeable there against and by all withdrawals and distributions therefrom. The Ocean Before-Tax Contribution Account will be credited and held pursuant to the terms of the Salary Deferral Account in the Plan.

(iii) "Ocean Employer Discretionary Contribution Account" shall mean the profit-sharing contribution account maintained in the Ocean Plan, including all earnings and gains attributable thereto and reduced by all losses attributable thereto, all expenses chargeable there against and by all withdrawals and distributions therefrom. The Ocean Employer Discretionary Contribution Account shall be subject to the vesting schedule described in this Appendix.

(iv) "Ocean Employer Matching Contribution Account" shall mean the account which held Ocean Employer Matching Contributions pursuant to the terms of the Ocean Plan, including all earnings and gains attributable thereto and reduced by all losses attributable thereto, all expenses chargeable there against and by all withdrawals and distributions therefrom. The Ocean Employer Matching Contribution Account shall be considered a part of the Matching Contribution Account in the Plan, but shall be subject to the vesting schedule described in this Appendix.

(v) "Ocean ESOP Account" shall mean the special account established pursuant to the terms of the Ocean Plan which was considered to be an "employee stock ownership plan" pursuant to the terms of the Code and the Ocean Plan, including all earnings and gains attributable thereto and reduced by all losses attributable thereto, all expenses chargeable there against and by all withdrawals and distributions therefrom. The Ocean ESOP Account shall be maintained as a separate account in this Plan, but shall be distributed at the same time and in the same manner as the Ocean

Discretionary Contribution Account. An Ocean Participant's benefit in the Ocean ESOP Account shall be fully (100%) vested and nonforfeitable effective April 25, 2003, if such Ocean participant was employed by Ocean on such date.

(vi) "Ocean Rollover Contribution Account" shall mean the separate account established pursuant to the terms of the Ocean Plan, including all earnings and gains attributable thereto and reduced by all losses attributable thereto, all expenses chargeable there against and by all withdrawals and distributions therefrom. The Ocean Rollover Contribution Account shall be held and administered in accordance with the terms of the Rollover Account in the Plan.

(vii) "Ocean Loan Account" shall mean an Ocean Participant's separate account established pursuant to the terms of the Ocean Plan in the event such participant has a loan outstanding pursuant to the terms of the Ocean Plan as of December 31, 2003. The Ocean Loan Account shall be maintained as part of the Loan Account in the Plan.

Notwithstanding the foregoing, effective on and after January 1, 2004, no additional contributions shall be made to any of the Ocean Accounts other than with respect to repayment of any loans under the Ocean Loan Account. All future Contributions made to this Plan will be credited to the applicable Account maintained in this Plan that is not an Ocean Account.

(b) Year of Service. Effective January 1, 2004, Years of Service under the Plan shall include service with Ocean or any of its subsidiaries with respect to those employees of Ocean or any of its subsidiaries who were (i) employed by Ocean on April 25, 2003, (ii) participants in the Ocean Plan on December 31, 2003 and (iii) employed by the Company on December 31, 2003. The calculation of Years of Service of an Ocean Participant shall be determined in accordance with the applicable provisions of the Plan. Except as provided in this subsection with respect to the recognition of employment service for determining Years of Service, the Ocean Participants shall be considered as newly hired Employees.

(c) Vesting of Ocean Accounts. Except as otherwise set forth in Section 4(d) of this Appendix, the Ocean Employer Discretionary Contribution Account and Ocean Employer Matching Contribution Account (together, the "Ocean Employer Contribution Accounts") of a Participant who is an Ocean Plan Participant shall vest in accordance with the following schedule:

Years of Service	Vested Percentage
Less than 1 year	0%
1 year	34%
2 years	67%
3 or more years	100%

(d) Special Accelerated Vesting for Ocean Participants. If an Ocean Participant shall cease to be employed by reason of reduction in force, as hereinafter described, such Ocean Participant shall have a fully (100%) vested and nonforfeitable interest in his Ocean Employer Discretionary Account and Ocean Employer Matching Contribution Account which were previously contributed by Ocean and which were not otherwise fully (100%) vested and nonforfeitable. The employment of an Ocean Participant shall be considered as being terminated because of a "reduction in force" if such termination is the result of a manpower reduction or reorganization by the Employer.

(e) Ocean After-Tax Contribution Account and Withdrawals. The following provisions shall apply to the Ocean After-Tax Contribution Account of any Participant:

(i) A Participant may, in the manner prescribed by the Committee, request a withdrawal from his Ocean After-Tax Contribution Account. No forfeitures will occur solely as a result of the Participant's withdrawal of all or part of his Ocean After-Tax Contribution Account. After receipt of the request, the Committee shall cause the Trustee to pay over the designated amount in not less than 90 days from the date such request shall have been delivered to the Committee.

(ii) All Ocean After-Tax Contributions made prior to January 1, 1987 will be maintained in a separate subaccount (the "Pre-1987 Account") which is part of the Participant's Ocean After-Tax Contribution Account. Withdrawals made from the Pre-1987 Account made under subsection (i) above will not include any earnings attributable to such Pre-1987 Account.

(iii) All Ocean After-Tax Contributions made after December 31, 1986 will be maintained in a separate subaccount (the "After-1986 Account") which is part of the Participant's Ocean After-Tax Contribution Account. Withdrawals made from the After-1986 Account as provided under subsection (i) above will include earnings attributable to such After-1986 Account. The amount of earnings on Ocean After-Tax Contributions which must be distributed with each withdrawal will be calculated by multiplying the total amount of earnings then held in the After-1986 Account by a fraction the numerator of which is the amount of Ocean After-Tax Contributions that is included in the distribution and the

denominator of which is the balance of all Ocean After-Tax Contributions then held in the After-1986 Account.

(f) In-Service Withdrawals for Ocean Accounts.

(i) An Ocean Participant may withdraw from his Ocean After-Tax Contribution Account and/or Ocean Rollover Contribution Account any or all amounts held in such Accounts.

(ii) An Ocean Participant who has withdrawn all amounts in his Ocean After-Tax Contribution Account and Ocean Rollover Contribution Account may withdraw from his Ocean Employer Matching Contribution Account any or all amounts held in such Ocean Account that have been so held for 24 months or more, but not in excess of such Participant's vested interest in such Ocean Account.

(iii) An Ocean Participant who has attained age 59½ may withdraw from his Ocean Before-Tax Contribution Account, his Ocean Employer Matching Contribution Account and his Ocean Rollover Contribution Account an amount not exceeding such Participant's vested interest in the then-value of such Ocean Accounts. Such withdrawal shall come first, from the Participant's Ocean Before-Tax Contribution Account, second, from the Participant's Vested Interest in his Ocean Employer Matching Contribution Account and, finally, from his Ocean Rollover Contribution Account.

(iv) An Ocean Participant who has a financial hardship, as determined by the Committee, and who has made all available withdrawals pursuant to the Plan and pursuant to the provisions of any other plans of the Employer and any Affiliated Company of which he is a member and who has obtained all available loans pursuant to ARTICLE IX and pursuant to the provisions of any other plans of the Employer and any Affiliated Company of which he is a member may withdraw from his Ocean Employer Matching Contribution Account and his Ocean Before-Tax Contribution Account amounts not to exceed the lesser of (1) such Participant's vested interest in such Ocean Accounts or (2) the amount determined by the Committee as being available for withdrawal pursuant to this subsection. Such withdrawal shall come first, from the Ocean Participant's vested interest in his Ocean Employer Matching Contribution Account and then, from his Ocean Before-Tax Contribution Account. For purposes of this subsection, "financial hardship" shall mean the immediate and heavy financial needs of the Ocean Participant. A withdrawal based upon financial hardship pursuant to this subsection shall not exceed the amount required to meet the immediate financial need created by the hardship and not reasonably available from other resources of the Ocean Participant. The amount required to meet the immediate financial need

may include any amounts necessary to pay any federal, state, or local income taxes or penalties reasonably anticipated to result from the distribution. The determination of the existence of an Ocean Participant's financial hardship and the amount required to be distributed to meet the need created by the hardship shall be made by the Committee. The decision of the Committee shall be final and binding, provided that all Participants similarly situated shall be treated in a uniform and nondiscriminatory manner. A withdrawal shall be deemed to be made on account of an immediate and heavy financial need of an Ocean Participant if the withdrawal is for:

(A) Expenses for medical care described in Code section 213(d) previously incurred by the Ocean Participant, the Ocean Participant's spouse, or any dependents of the Ocean Participant (as defined in Code section 152) or necessary for those persons to obtain medical care described in Code section 213(d) and not reimbursed or reimbursable by insurance;

(B) Costs directly related to the purchase of a principal residence of the Ocean Participant (excluding mortgage payments);

(C) Payment of tuition and related educational fees, and room and board expenses, for the next 12 months of post-secondary education for the Ocean Participant or the Ocean Participant's spouse, children, or dependents (as defined in Code section 152);

(D) Payments necessary to prevent the eviction of the Ocean Participant from his principal residence or foreclosure on the mortgage of the Ocean Participant's principal residence; or

(E) Such other financial needs that the Commissioner of Internal Revenue may deem to be immediate and heavy financial needs through the publication of revenue rulings, notices, and other documents of general applicability.

The above notwithstanding: (1) withdrawals under this subsection from an Ocean Participant's Ocean Before-Tax Contribution Account shall be limited to the sum of the Ocean Participant's Before-Tax Contributions to the Plan, plus income allocable thereto and credited to the Ocean Participant's Ocean Before-Tax Contribution Account as of December 31, 1988, less any previous withdrawals of such amounts, and (2) withdrawals from an Ocean Participant's Ocean Employer Contribution Accounts attributable to contributions after December 31, 1988 that constitute income allocable thereto or attributable to qualified nonelective contributions or qualified matching contributions shall not be permitted. An Ocean Participant who makes a withdrawal from his Ocean Before-Tax Contribution Account under this subsection may not make Salary

Deferrals under the Plan or any other qualified or nonqualified plan of the Employer or any Affiliated Company for a period of six months following the date of such withdrawal. Further, such Ocean Participant may not make Salary Deferrals and Roth 401(k) Contributions under the Plan or any other plan maintained by the Employer or any Affiliated Company for such Ocean Participant's taxable year immediately following the taxable year of the withdrawal in excess of the applicable limit set forth in Code section 402(g) for such next taxable year less the amount of such Ocean Participant's elective contributions for the taxable year of the withdrawal.

(g) Restrictions on Ocean In-Service Withdrawals.

(i) All withdrawals pursuant to this Appendix shall be made in accordance with the procedures established by the Committee.

(ii) Notwithstanding the provisions of this subsection (g), not more than one withdrawal pursuant to Section 4(f)(ii) of this Appendix or two withdrawals pursuant to Section 4(f)(iii) of this Appendix may be made in any one Plan Year, and no withdrawal shall be made from an Ocean Account to the extent such Ocean Account has been pledged to secure a loan from the Plan.

(iii) If a Participant's Ocean Account from which a withdrawal is made is invested in more than one Investment Fund, the withdrawal shall be made pro rata from each Investment Fund in which such Ocean Account is vested.

(iv) All withdrawals under Section 4(f) of this Appendix shall be paid in cash.

(v) Any withdrawal hereunder that constitutes an "eligible rollover distribution," as defined in Section 8.08(a) of the Plan, shall be subject to the provisions of Section 8.08 of the Plan.

(vi) Section 4(f) of this Appendix shall not be applicable to an Ocean Participant following termination of employment and the amounts in such Ocean Participant's Ocean Accounts shall be distributable only in accordance with the other provisions of ARTICLE VIII of the Plan.

APPENDIX F

THUNDER CREEK GAS SERVICES, L.L.C.
RETIREMENT SAVINGS PLAN MERGER

This Appendix F shall apply with regard to those employees who are employed or were previously employed by Thunder Creek Gas Services, L.L.C. ("Thunder Creek") whose Accounts under the Plan include amounts transferred to the Plan from the Thunder Creek Gas Services, L.L.C. Retirement Savings Plan (the "Thunder Creek Plan") in connection with the merger, effective December 18, 2009 of the Thunder Creek Plan with and into the Plan.

1. Plan Merger. The Thunder Creek Plan shall be merged with and into the Plan, effective as of December 18, 2009. The provisions of the Plan shall become fully applicable to the participants, former participants, beneficiaries and alternate payees of the Thunder Creek Plan, except as provided in this Appendix.

2. Date of Plan Participation. Any participant in the Thunder Creek Plan on December 17, 2009 shall become a Participant in the Plan on December 18, 2009. Any individual who participated in the Thunder Creek Plan but who terminated employment prior to, and who does not have an Employment Commencement Date on or after, December 18, 2009 shall not become a Participant in the Plan, except for a limited purpose, including, without limitation, investment allocation and distributions, as outlined in Section 3.06 of the Plan.

3. Asset Transfer Provisions. Notwithstanding the provisions of the Plan, the following provisions shall apply:

   (a) Transfer of Plan Assets. Effective as of December 18, 2009, or as soon as administratively practicable thereafter, assets and liabilities from the trust fund for the Thunder Creek Plan shall be transferred to the Trust Fund. All assets and liabilities transferred to the Plan from the trust fund for the Thunder Creek Plan shall be administered in accordance with the generally applicable terms of the Plan, together with such other provisions that are applicable to former participants in the Thunder Creek Plan ("Thunder Creek Plan Participants") as set forth in this Appendix.

   (b) Regulatory Requirements. As required by Treas. Reg. § 414(l)-1(d), each Thunder Creek employee who has an account balance from the Thunder Creek Plan transferred to the Plan shall receive a benefit immediately after the transfer contemplated under subsection (a) above that is equal to or greater than the benefit that he would have been entitled to receive immediately before such transfer (as if either the Thunder Creek Plan or the Plan had then terminated).

   (c) Segregation of Transferred Amounts. The Committee shall separately account for the amounts transferred to the Plan pursuant to subsection (a) above for record-keeping purposes and shall establish such segregated accounts or subaccounts as are necessary to provide for this separate accounting. These separate accounts and subaccounts shall be referred to collectively as the "Thunder Creek

Accounts." Except as otherwise provided in this Appendix, the Thunder Creek Accounts shall be treated in the same manner as all other Accounts under the Plan.

4. Special Conditions. Notwithstanding the provisions of the Plan, the following provisions shall apply:

(a) Definitions.

(i) "Thunder Creek Employer Contributions" shall mean the employer contributions made to the Thunder Creek Plan before its merger into the Plan on December 18, 2009.

(ii) "Thunder Creek Employer Contributions Account" shall mean the separation Account that holds the Thunder Creek Employer Contributions made to a Thunder Creek Plan Participant and that were merged into the Plan as described in Section 3(a) of this Appendix, including all earnings and gains attributable thereto and reduced by all losses attributable thereto, all expenses chargeable there against and by all withdrawals and distributions therefrom.

(b) Special Vesting of Thunder Creek Employer Contributions. Except as otherwise set forth in this Appendix, the Thunder Creek Employer Contributions Account of a Participant who is a Thunder Creek Plan Participant shall vest in accordance with the following schedule:

Years of Service	Vested Percentage
Less than 3 years	0%
3 or more years	100%

APPENDIX G

SPECIAL PROVISIONS FOR GEOSOUTHERN CONTINUED EMPLOYEES

This Appendix G shall apply with regard to those employees who (a) remain employed by GeoSouthern Energy Corporation or one of its affiliates ("GeoSouthern") until the closing of the transaction set forth in the GeoSouthern Purchase Agreement (as defined in Section 3 of this Appendix) and (b) become Employees of the Company in connection with such transaction.

1. Transfer of Employees from GeoSouthern. Each GeoSouthern Continued Employee (as defined in Section 3 of this Appendix) shall become an Eligible Employee upon the "Closing Date" (as defined in the GeoSouthern Purchase Agreement) in accordance with the terms of the Plan. The provisions of the Plan shall apply to each GeoSouthern Continued Employee, except as provided in this Appendix. Notwithstanding any provision of the Plan or this Appendix to the contrary, no GeoSouthern Continued Employee shall be eligible for a Company Retirement Contribution at a rate determined under Section 4.04(b) (as in effect at the time this Appendix G was added to the Plan) of the Plan.

2. Special Conditions. Notwithstanding the provisions of the Plan, the following provisions shall apply:

   (a) Special Employment Commencement Date or Reemployment Commencement Date for Participation Eligibility and Matching Contributions for GeoSouthern Continued Employees. A GeoSouthern Continued Employee's Employment Commencement Date or Reemployment Commencement Date for purposes of (i) participation under ARTICLE III of the Plan and (ii) determining his rate of Matching Contributions under Section 4.05 of the Plan shall be the date of the GeoSouthern Continued Employee's most recent employment commencement date or reemployment commencement date, as the case may be, with GeoSouthern.

   (b) Years of Service. A GeoSouthern Continued Employee's Years of Service under the Plan shall include service with GeoSouthern previously recognized under any profit sharing or 401(k) plan sponsored by GeoSouthern.

3. Definitions. For purposes of this Appendix G, the following terms shall have the following meanings:

   (i) "GeoSouthern Continued Employee" shall mean a "Continued Employee," as defined in the GeoSouthern Purchase Agreement.

   (ii) "GeoSouthern Purchase Agreement" shall mean the Purchase and Sale Agreement among GeoSouthern Intermediate Holdings, LLC, Devon Energy Production Company, L. P., and GeoSouthern Energy Corporation, dated November 20, 2013.

APPENDIX H

SPECIAL PROVISIONS FOR EMPLOYEES TRANSFERRING TO ENLINK MIDSTREAM OPERATING, LP

This Appendix H shall apply with regard to those Employees who (a) transfer to EnLink Midstream Operating, LP in connection with the closing of the transaction set forth in the EnLink Merger Agreement (as defined in Section 3 of this Appendix) and (b) cease being Eligible Employees upon such transfer.

1. Transfer of Employees to EnLink Midstream Operating, LP. Each Transferring Employee (as defined in Section 3 of this Appendix) shall cease to be an Eligible Employee on his Severance from Service in accordance with the terms of the Plan. The provisions of the Plan shall apply to such Transferring Employee, except as provided in this Appendix.

2. Special Conditions. Notwithstanding the provisions of the Plan, the following provisions shall apply:

   (a) Special Eligibility for True-Up Matching Contribution. An EnLink Transferring Employee shall continue to be eligible to receive a True-Up Matching Contribution for the quarter in which he becomes an employee of EnLink Midstream Operating, LP even though such Participant is not an Employee on the last day of such applicable quarter of the Plan Year.

   (b) Special Vesting for EnLink Transferring Employees. An EnLink Transferring Employee shall have a fully (100%) vested and nonforfeitable interest in the portion of his Account that is subject to the vesting schedule described in Section 7.02(a) of the Plan.

   (c) Special Rollover of Loans. An EnLink Transferring Employee who is an Eligible Borrower may make a direct rollover, as described in Section 8.08 of the Plan, of the full unpaid balance of any loan plus applicable interest to any "qualified employer plan" (as defined in Code section 72(p)(4) that accepts rollovers of loans. Any EnLink Transferring Employee who makes such a rollover shall not be in "default" under Section 9.02(f) of the Plan solely as a result of his Severance from Service.

3. Definitions. For purposes of this Appendix H, the following terms shall have the following meanings:

   (i) "EnLink Merger Agreement" shall mean the Agreement and Plan of Merger by and among Devon Energy Corporation, Devon Gas Services, L.P., Acacia Natural Gas Corp I, Inc., Crosstex Energy, Inc., New Public Rangers, L.L.C., Boomer Merger Sub, Inc., and Rangers Merger Sub, Inc., dated October 21, 2013.

(ii) "EnLink Transferring Employee" shall mean a Participant who is (A) an Employee on the "Closing Date" of the "Mergers," each as defined under the EnLink Merger Agreement and (B) a "Transferring Employee," as defined in the EnLink Merger Agreement.

APPENDIX I

SPECIAL PROVISIONS FOR EMPLOYEES TRANSFERRING TO ENLINK MIDSTREAM OPERATING, LP IN CONNECTION WITH THE CONTRIBUTION OF THE VICTORIA EXPRESS PIPELINE

This Appendix I shall apply with regard to those Employees who (a) transfer to EnLink Midstream Operating, LP in connection with the closing of the transaction set forth in the Victoria Express Pipeline Contribution Agreement (as defined in Section 3 of this Appendix); and (b) cease being Eligible Employees upon such transfer.

1. Transfer of Employees to EnLink Midstream Operating, LP. Each Victoria Express Pipeline Transferring Employee (as defined in Section 3 of this Appendix) shall cease to be an Eligible Employee on his Severance from Service in accordance with the terms of the Plan. The provisions of the Plan shall apply to such Victoria Express Pipeline Transferring Employee, except as provided in this Appendix.

2. Special Conditions. Notwithstanding the provisions of the Plan, the following provisions shall apply:

   (a) Special Vesting for Victoria Express Pipeline Transferring Employees. A Victoria Express Pipeline Transferring Employee shall have a fully (100%) vested and nonforfeitable interest in the portion of his Account that is subject to the vesting schedule described in Section 7.02(a) of the Plan.

3. Definitions. For purposes of this Appendix I, the following terms shall have the following meanings:

   (i) "Victoria Express Pipeline Contribution Agreement" shall mean the Contribution, Conveyance and Assumption Agreement by and between Devon Gas Services, L.P. and EnLink Midstream Partners, LP, dated as of March 23, 2015.

   (ii) "Victoria Express Pipeline Transferring Employee" shall mean a Participant who is (A) an Employee on the "Closing Date" of the "Transactions," each as defined under the Victoria Express Pipeline Contribution Agreement; and (B) a "Transferring Employee," as defined in the Victoria Express Pipeline Contribution Agreement.

APPENDIX J

SPECIAL PROVISIONS FOR FORMER EMPLOYEES OF WPX ENERGY SERVICES AND WPX ENERGY SAVINGS PLAN MERGER

This Appendix J shall apply with regard to those employees who are employed or were previously employed by WPX Energy Services Company, LLC ("WPX") whose Accounts under the Plan include amounts transferred to the Plan from the WPX Energy Savings Plan (the "WPX Plan") in connection with the merger, effective July 1, 2021, of the WPX Plan with and into the Plan.

1. Plan Merger. The WPX Plan shall be merged with and into the Plan, effective as of July 1, 2021. The provisions of the Plan shall become fully applicable to the participants, former participants, beneficiaries and alternate payees of the WPX Plan, except as provided in this Appendix.

2. Plan Participation.

   (a) General. Individuals who are WPX employees on June 18, 2021 ("WPX Employees") shall have their employment transferred to Devon Energy Production, L.P., which is an Employer under the Plan, on June 19, 2021. Thus, any active participant in the WPX Plan on June 18, 2021 shall become a Participant in the Plan on June 19, 2021. Any WPX Employee who is an Eligible Employee for purposes of the Plan shall be eligible to participate in the Plan, subject to its generally applicable terms and conditions except as otherwise set forth in this Appendix. Any individual who participated in the WPX Plan but who terminated employment prior to, and who does not have an Employment Commencement Date on or after, June 19. 2021 or who is not otherwise an Eligible Employee, shall not become a Participant in the Plan, except for a limited purpose, including, without limitation, investment allocation and distributions, as outlined in Section 3.06 of the Plan.

   (b) Participation for Purposes of Salary Deferrals and Roth 401(k) Contributions. A WPX Employee who becomes a Participant in the Plan shall be eligible to contribute Salary Deferrals and/or Roth 401(k) Contributions in accordance with the generally applicable provisions of Section 4.01. Notwithstanding the foregoing, any deferral elections made as a result of an affirmative election and provided by the recordkeeper of the WPX Plan shall be transferred to, and given effect under, the Plan as of June 19, 2021 with respect to Compensation (including Compensation attributable to annual discretionary performance bonuses); provided, however, that such deferral elections shall not be applied for purposes of making the additional Salary Deferrals or Roth 401(k) Contributions under Section 4.01(b) and to the extent that such deferral election exceeds 50% of Compensation, it shall be reduced to 50% of Compensation. A WPX Employee must make a new election to make the contributions described under Section 4.01(b).

(c) Participation for Purposes of Matching Contributions. A WPX Employee who is a Participant and who has the later of his (i) Employment Commencement Date or (ii) Reemployment Commencement Date prior to July 1, 2021 shall be eligible to receive a Matching Contribution in accordance with Section 4.05(a)(1) of the Plan (i.e., 100% of such WPX Employee's Salary Deferrals and/or Roth 401(k) Contributions that do not exceed 6% of the WPX's Employee's Compensation for periods after commencing participation in the Plan) without regard to the duration of WPX's period of employment with WPX or the Employer. For the 2021 Plan Year, a WPX Employee who is eligible for Matching Contributions as described in this paragraph shall be eligible to receive "true-up" Matching Contributions under Section 4.05(b) for a calendar quarter, regardless of whether he is employed on the last day of the quarter. In addition, the "true-up" Matching Contributions under Section 4.05(b) for the third and fourth quarters of 2021 shall be calculated taking into account the pre-tax, Roth, and catch-up contributions made by a WPX Employee under the WPX Plan, as well as the WPX Employee's WPX Plan compensation.

(d) Participation for Purposes of Company Retirement Contributions. For the 2021 Plan Year, a WPX Employee who is eligible for Company Retirement Contributions shall be eligible to receive Company Retirement Plan Contributions for a calendar quarter even if he is not employed on the last day of the quarter if he dies, becomes disabled, or terminates employment at age 55 with 5 years of service during the calendar quarter.

(e) Participation for Purposes of Investment of Accounts. A WPX Employee who becomes a Participant in the Plan shall be eligible to direct the investment of such Participant's Accounts in accordance with the generally applicable investment election provisions of Article VI of the Plan. Notwithstanding the foregoing, except as otherwise elected by a WPX Employee, a WPX Employee's investment elections as in effect under the WPX Plan shall be "mapped" or "defaulted" and treated as investment elections in the Plan in the manner described in the notices provided to WPX Employees in connection with the merger of the WPX Plan into the Plan.

(f) Participation for Purposes of Vesting. A WPX Employee who becomes a Participant in the Plan shall be subject to the generally applicable vesting provisions of Article VII of the Plan. Notwithstanding the foregoing, (1) a WPX Employee's WPX Account shall be subject to special vesting provisions as described in Section 4 of this Appendix below, and (2) any Matching Contributions made to a WPX Employee on or after July 1, 2021 shall be 100% vested at all times.

(g) Participation for Purposes of Beneficiary Designations. A WPX Employee who becomes a Participant in the Plan may designate a Beneficiary in accordance with the generally applicable terms of Section 8.05(a) of the Plan. Any Beneficiary

designation made by a WPX Employee under the WPX Plan before the merger of the WPX Plan into the Plan shall be given effect under the Plan.

3. Asset Transfer Provisions. Notwithstanding the provisions of the Plan, the following provisions shall apply:

(a) Transfer of Plan Assets. Effective as of July 1, 2021, or as soon as administratively practicable thereafter, assets and liabilities from the trust fund for the WPX Plan shall be transferred to the Trust Fund. All assets and liabilities transferred to the Plan from the trust fund for the WPX Plan shall be administered in accordance with the generally applicable terms of the Plan, together with such other provisions that are applicable to former participants in the WPX Plan ("WPX Plan Participants") as set forth in this Appendix.

(b) Regulatory Requirements. As required by Treas. Reg. § 414(l) 1(d), each WPX Plan Participant who has an account balance from the WPX Plan transferred to the Plan shall receive a benefit immediately after the transfer contemplated under subsection (a) above that is equal to or greater than the benefit that he would have been entitled to receive immediately before such transfer (as if either the WPX Plan or the Plan had then terminated).

(c) Segregation of Transferred Amounts. The Committee shall separately account for the amounts transferred to the Plan pursuant to subsection (a) above for record-keeping purposes and shall establish such segregated accounts or subaccounts as are necessary to provide for this separate accounting. These separate accounts and subaccounts shall be referred to collectively as the "WPX Accounts." Except as otherwise provided in this Appendix, the WPX Accounts shall be treated in the same manner as all other Accounts under the Plan.

4. Special Conditions. Notwithstanding the provisions of the Plan, the following provisions shall apply to WPX Accounts and WPX Plan Participants as follows:

(a) Definitions.

(i) "WPX Profit Sharing Contributions" shall mean the profit sharing contributions provided for under the terms of the WPX Plan for periods prior to the transfer of WPX Employees to the Employer on June 19, 2021.

(ii) "WPX Matching Contributions" shall mean the matching contributions provided for under the terms of the WPX Plan for periods prior to the transfer of WPX Employees to the Employer on June 19, 2021.

(iii) "WPX Matching Contributions Account" shall mean the separate Account that holds the WPX Matching Contributions made to a WPX Plan Participant and that were merged into the Plan as described in Section 3(a) of this Appendix, including all earnings and gains attributable thereto and

reduced by all losses attributable thereto, all expenses chargeable there against and by all withdrawals and distributions therefrom.

(iv) "WPX Profit Sharing Contributions Account" shall mean the separate Account that holds the WPX Profit Sharing Contributions made to a WPX Plan Participant and that were merged into the Plan as described in Section 3(a) of this Appendix, including all earnings and gains attributable thereto and reduced by all losses attributable thereto, all expenses chargeable there against and by all withdrawals and distributions therefrom.

(b) 2021 WPX Profit Sharing Contributions. For periods prior to the merger of the WPX Plan into the Plan, the WPX Plan provided that WPX Plan Participants were eligible to receive WPX Profit Sharing Contributions that are calculated on a plan year basis and deposited at the end of the plan year, provided that the WPX Plan Participants are employed on the last day of the plan year or die, become disabled, or terminate at age 55 with 5 years of service during the plan year (the "WPX Service Conditions"). In order to provide for WPX Profit Sharing Contributions for the portion of the 2021 plan year preceding the transfer of employment of all WPX Employees to the Employer, each WPX Plan Participant who satisfies the WPX Service Conditions shall receive a contribution under the Plan in January 2022 that is equal to the WPX Profit Sharing Contributions calculated under the terms of the WPX Plan (i.e., 6% of eligible earnings for WPX Employees younger than age 40 and 8% of eligible earnings for WPX Employees age 40 or older) on the basis of eligible earnings for the portion of the 2021 plan year preceding the transfer of WPX Employees to the Employer. This contribution will be made to the WPX Plan Participant's WPX Profit Sharing Contributions Account and treated in the same manner as any other WPX Profit Sharing Contribution.

(c) 2021 WPX Matching Contributions. For periods prior to the merger of the WPX Plan into the Plan, the WPX Plan provided that WPX Plan Participants were eligible to received WPX Matching Contributions that are made on a payroll period basis but that also include a "true-up" contribution made and deposited at the end of the plan year. In order to provide for the "true-up" component of the WPX Matching Contributions for the portion of the 2021 plan year preceding the transfer of all WPX Employees to the Employer, each WPX Plan Participant who is a WPX Employee shall receive a contribution under the Plan in January 2022 that is equal to the WPX Matching Contributions calculated under the terms of the WPX Plan (i.e., 100% of such WPX Plan Participant's eligible deferral contributions that do not exceed 6% of the WPX Plan Participant's eligible earnings) for the portion of the 2021 plan year preceding the transfer of WPX Employees to the Employer less any WPX Matching Contributions actually received during the first and second quarters of 2021. This contribution will be made to the WPX Plan Participant's WPX Matching Contributions Account and treated as any other WPX Matching Contribution.

(d) Special Vesting of WPX Matching Contributions. A WPX Plan Participant's WPX Matching Contributions Account shall be 100% vested at all times.

(e) Special Vesting of WPX Profit Sharing Contributions. A WPX Plan Participant's WPX Profit Sharing Contributions Account shall vest in accordance with the following provisions:

(i) A WPX Plan Participants' WPX Profit Sharing Contributions Account shall vest in accordance with the following schedule:

Years of Service	Vested Percentage
Less than three years	0%
3 or more years	100%

For this purpose, "Years of Service" shall include (1) a number of years equal to the number of years of service credited to such Participant under the WPX Plan before July 1, 2021; (2) the greater of: (a) the period of service that would be credited to the Participant under the elapsed time rule of Section 2.67 of the Plan during the entire Plan Year beginning on January 1, 2021, or (b) 1,000 Hours of Service under the WPX Plan during the Plan Year beginning on January 1, 2021; and (3) his Years of Service for Plan Years beginning after January 1, 2022.

(ii) The special vesting circumstances provided under Section 7.02(b) of the Plan shall apply to a WPX Plan Participant's WPX Profit Sharing Contribution Account, except that for purposes of vesting upon the occurrence of a Disability, a WPX Plan Participant shall be treated as vesting in the WPX Profit Sharing Contribution Account if the WPX Plan Participant meets the definition of Disability as set forth in Section 2.20 of the Plan or the definition of Disability in the WPX Plan as in effect prior to the merger of the WPX Plan into the Plan.

(iii) A WPX Plan Participant's WPX Profit Sharing Contribution Account shall vest upon the WPX Plan Participant's involuntary Severance from Service occurs because of a reduction-in force (designated as such by the Employer, in its records) or because of the sale of stock or assets of an Employer (in either case designated as such by the Employer, in its records).

(f) Investment of WPX Accounts. A WPX Plan Participant shall be eligible to direct the investment of such WPX Plan Participant's WPX Accounts in accordance with the generally applicable investment election provisions of Article VI of the Plan. Notwithstanding the foregoing, except as otherwise elected by a WPX Plan Participant, the investment elections as in effect for the WPX Plan Participant's WPX Account before the merger of the WPX Plan into the Plan shall be "mapped" or "defaulted" and treated as investment elections in the Plan in the

manner described in the notices provided to WPX Plan Participants in connection with the merger of the WPX Plan into the Plan.

(g) Special Loan Exception. Notwithstanding Section 9.01(f), all loans of a Participant who is a WPX Plan Participant shall be transferred to the Plan and subject to repayment as described in the original terms of the loan, except that any loan repayments made on or after July 1, 2021 shall be allocated to the WPX Plan Participant's accounts under the Plan.

(h) Special Provisions Related to Merger of Khody Land & Minerals 401(k) Plan. In addition to any rights described in the forgoing Sections, the following provisions shall apply to WPX Plan Participants who were also former participants in the Khody Land & Minerals 401(k) Plan (the "Khody Plan").

(i) Effective August 1, 2019, the Khody Plan was merged with and into the WPX Plan (the "Khody Merger"). The Khody Plan had been previously frozen to new contributions effective as of January 1, 2016.

(ii) To preserve the withdrawal rights provided in the Khody Plan with respect to rollover contributions, the provisions of Section 8.5(b), which limit the number of Rollover Contribution Account withdrawals to two per Plan Year, shall not be applicable with respect to rollover contributions to the Khody Plan that were transferred to this Plan in connection with the Merger.

(iii) Following the Khody Merger, the assets maintained in the Khody Plan Pre-Tax Elective Deferral Accounts, Roth Elective Deferral Accounts, Safe Harbor Matching Contribution Accounts, Rollover Accounts and Roth Rollover Accounts were added to and are maintained in the corresponding subaccounts under the WPX Plan and therefore, will be transferred to the corresponding Plan account in connection with the merger of the WPX Plan. As part of the Khody Merger, the WPX Plan accepted the transfer of any participant loans outstanding under the Khody Plan as of the date of the Khody Merger.

(iv) Any qualified domestic relations order applicable to the Khody Plan received before the date of the Khody Merger shall continue to be in effect under this Plan, but only with respect to assets of the Khody Plan.

FIRST AMENDMENT TO THE
WPX ENERGY NONQUALIFIED DEFERRED COMPENSATION PLAN

WHEREAS, WPX Energy, Inc. (the "Company") has entered into that certain Agreement and Plan of Merger with Devon Energy Corporation and East Merger Sub, Inc., pursuant to which the Company will become a wholly-owned subsidiary of Devon Energy Corporation (the "Merger"); and

WHEREAS, the Company's Compensation Committee has authorized and directed the officers of the Company and of WPX Energy Services Company, LLC ("Services"), as applicable, to prepare and execute amendments to the employee benefit plans and programs maintained by the Company and Services confirming that consummation of the Merger does not modify the eligibility and participation provisions of such plans and programs; and

WHEREAS, Services maintains the WPX Energy Nonqualified Deferred Compensation Plan, as amended and restated effective January 1, 2015 (the "Plan"); and

WHEREAS, Services now desires to amend the Plan in accordance with the authorization and direction provided by the Company's Compensation Committee.

NOW, THEREFORE, in consideration of the premises, the Plan is hereby amended in the following respects, effective as of immediately prior to consummation of the Merger:

1. All provisions of the Plan relating to eligibility and participation, including but not limited to the Plan-defined terms of Affiliate, Company, Eligible Employee, Employer, and Participant, to the extent applicable, shall be interpreted and applied (and, if necessary, are modified) to provide that an individual who is not an employee of Services shall not become eligible to participate in the Plan as a result of the Merger.

2. All other Plan terms and conditions of eligibility and participation shall continue to apply with respect to the Plan; provided, however, this First Amendment shall not in any way modify or reduce the benefits provided under the Plan for individuals who are eligible to participate in the Plan.

3. This amendment does not preclude future amendments to the terms of the Plan including, but not limited to, any future amendments to its eligibility or participation terms, requirements, and limitations.

4. Except as modified herein, the Plan shall remain in full force and effect.

[Signature on following page.]

IN WITNESS WHEREOF, WPX Energy Services Company, LLC has caused this First Amendment to the Plan to be executed this 4th day of January, 2021, effective as hereinbefore provided.

WPX Energy Services Company, LLC

By: /s/Angela Kouplen

Name: Angela Kouplen

Title: Senior Vice President of Administration and Chief Information Officer

Exhibit 10.38

SECOND AMENDMENT TO THE
WPX ENERGY NONQUALIFIED DEFERRED COMPENSATION PLAN

WHEREAS, WPX Energy Services Company, LLC, which is wholly owned by WPX Energy, Inc., maintains the WPX Energy Nonqualified Deferred Compensation Plan, as amended and restated effective January 1, 2015 (the "Plan") and as subsequently amended; and

WHEREAS, WPX Energy, Inc. has become a wholly owned subsidiary of Devon Energy Corporation as a result of the merger transaction that was consummated on January 7, 2021 (the "Merger"); and

WHEREAS, Devon Energy Production Company, L.P. has become the successor employer of those individuals previously employed by WPX Energy Services Company, LLC who remain employed following the Merger; and

WHEREAS, WPX Energy Services Company, LLC, Devon Energy Corporation and Devon Energy Production Company, L.P. desire to amend the Plan to reflect Devon Energy Corporation's assumption of sponsorship of the Plan, the Devon entities' assumption of liabilities under the Plan, and the transition of governance and amendment responsibility resulting from the Merger.

NOW, THEREFORE, in consideration of the premises, the Plan is hereby amended in the following respects, effective as of the date this Second Amendment is executed by WPX Energy Services Company, LLC, Devon Energy Corporation and Devon Energy Production Company, L.P.:

1. Sections 1.3, 1.4, 1.5, 1.6 and 1.7 are added to the Plan as follows:

1.3 Assumption of Sponsorship. Subject to Section 1.7 hereof, Devon hereby assumes sponsorship of the Plan as successor to the Company.

1.4 Assumption of Liabilities. Subject to Section 1.7 hereof, Devon and DEPCO hereby assume joint and several liability for all obligations under the Plan, including the payment of benefits and expenses thereunder. All provisions of the Plan referring to the Employer's obligation to pay benefits and all provisions of the Plan that are protective or exculpatory with respect to the Employer shall be construed to refer to Devon and DEPCO.

1.5 Assumption of Authority. The Committee hereby assumes all authority for the administration of the Plan and for purposes of adopting amendments to the Plan. The Administrative Committee and the Benefits Committee shall have no prospective authority or responsibility with respect to the Plan.

1.6 Status of Plan. Notwithstanding any contrary provision of the Plan, the Plan is a frozen plan in accordance with the following:

(a) There were no amounts credited under the Plan as Deferred Base Salary or Deferred AIP Bonus following the cessation of payment of Base Salary and AIP bonuses by WPX Energy Services Company, LLC. Deferral elections applicable to Base Salary and AIP bonuses paid by WPX Energy Services Company, LLC prior to such transition

were implemented. No future deferrals of Base Salary or AIP Bonus (or other form of compensation) shall be permitted under the Plan.

(b) As of December 31, 2021, there will be no Participants employed by WPX Energy Services Company, LLC. As a result, there will be no Matching Contribution Credits credited under the Plan with respect to any Deferral Credits allocated to a Participant's Deferral Account during 2021 or any subsequent year.

1.7 Effective Date of Assumption of Plan Sponsorship and Liabilities. Notwithstanding any other provision of the Plan to the contrary, the effective date of Devon's and DEPCO's assumption of the Plan's sponsorship and liabilities shall occur upon the later of the effective date of the Second Amendment to the Plan or such date that Devon or DEPCO become the "grantor" of the WPX Energy Nonqualified Plans Master Trust.

2. Section 2.27 is amended and restated as follows:

2.27 "Qualified Plan" shall mean, as the context may require, the WPX Energy Savings Plan, as amended, as in effect before its merger into the Devon Energy Corporation Incentive Savings Plan on July 1, 2021 or the Devon Energy Corporation Incentive Savings Plan, as amended, as in effect following the merger.

3. Sections 2.36, 2.37, and 2.38 are added to the Plan as follows:

2.36 "Committee" shall mean the Compensation Committee of the Board of Directors of Devon or a committee established by the Compensation Committee of the Board of Directors of Devon that has been delegated duties related to the Plan.

2.37 "DEPCO" shall mean Devon Energy Production Company, L.P.

2.38 "Devon" shall mean Devon Energy Corporation.

4. Sections 5.1 and 5.2 are amended and restated as follows:

5.1 Participant Designation. Each Participant shall designate, in accordance with any procedures, restrictions and conditions established by the Committee, the manner in which the amounts credited to the Participant's Account shall be deemed to be invested for purposes of determining the amount of earnings and losses to be credited to such Account. For this purpose, a Participant may specify that all or any percentage of his or her Account shall be deemed to be invested, in such percentage increments as the Committee may prescribe, in one or more of the Funds that have been designated as alternative investments under the Plan pursuant to Section 5.2. A Participant shall be permitted to make separate investment elections with respect to each Scheduled In-Service Account and his or her Retirement Account. A Participant's designation shall remain in effect until a new designation is made in the manner required by the Committee, subject to the termination and/or replacement of a Fund as an available investment option and further subject to any timing restrictions imposed by the Committee. If a Participant fails to provide a designation in the manner required by the Committee, the Participant's Account (or any Scheduled In-Service Account or Retirement Account for which a designation is not provided) shall be deemed to be invested in a default Fund designated by the Committee from time to time for such purpose.

5.2 Investment Funds. The Committee shall specify the investment options that will constitute the Funds and may change the available investment options from time to time. The Committee and any employee of Devon or its Affiliates and other individual or entity currently or previously designated to act on behalf of the Company for the purpose of selecting the Funds, as well as the Administrative Committee and the Benefits Committee, make no promise or guarantee regarding the performance of any Fund and shall have no liability to any Participant, Beneficiary or any other individual or entity with respect to the selection of the Funds or any decrease (or lack of increase) in a Participant's or Beneficiary's Account as a result of the performance or lack thereof of: (i) the Funds selected by the Participant; or (ii) the default Fund applicable to amounts for which a Participant or Beneficiary has failed to provide an investment designation in the manner required by the Committee. A Participant or Beneficiary assumes all risk associated with his or her investment designation or failure to provide an investment designation, as well as all risk associated with the unsecured nature of the Plan as described in Section 12.1.

5. Section 9.3 is added to the Plan as follows:

9.3 Allocation to Committee.

(a) All administrative authority and responsibility allocated to the Administrative Committee under the Plan is allocated to the Committee and all references in the Plan assigning any administrative authority or responsibility to the Administrative Committee are amended to refer to the Committee. The Administrative Committee shall have no prospective authority or responsibility with respect to the Plan.

(b) All amendment authority and responsibility allocated to the Benefits Committee under the Plan is allocated to the Committee and all references in the Plan assigning amendment authority or responsibility to the Benefits Committee are amended to refer to the Committee. The Benefits Committee shall have no prospective authority or responsibility with respect to the Plan.

(c) All amendment and termination authority and responsibility allocated to the Compensation Committee under the Plan is allocated to the Committee and all references in the Plan assigning amendment and termination authority or responsibility to the Compensation Committee are amended to refer to the Committee. The Compensation Committee shall have no prospective authority or responsibility with respect to the Plan.

(d) The Plan shall be administered, construed and interpreted by the Committee. The Committee shall have the sole authority and discretion to determine eligibility and to construe the terms of the Plan. The determinations by the Committee as to any disputed questions arising under the Plan shall be final, conclusive and binding upon all persons including Participants, their Beneficiaries, Devon, its stockholders and employees, its Affiliates, and WPX Energy Services Company, LLC. The Committee may, in its sole discretion, delegate its authority hereunder, including, but not limited to, delegating authority to modify, amend, administer, interpret, construe or vary the Plan, to the extent permitted by applicable law or administrative or regulatory rule, and, to the extent the Committee delegates is authority, applicable references in the Plan to the Committee also shall mean the Committee's delegate.

(e) The members of the Committee and its agents shall be indemnified and held harmless by Devon against and from any and all loss, cost, liability or expense that may be imposed upon or reasonably incurred by them in connection with or resulting from

any claim, action, suit or proceeding to which they may be a party or in which they may be involved by reason of any action taken or failure to act under this Plan and against and from any and all amounts paid by them in settlement (with Devon's written approval) or paid by them in satisfaction of a judgment in any such action, suit or proceeding. The foregoing provisions shall not be applicable to any person if the loss, cost, liability or expense is due to such person's gross negligence or willful misconduct.

6. Section 11.1 of the Plan document is amended and restated as follows:

11.1 Amendments.

(a) Right to Amend. The Committee shall have the right at any time and from time to time, and retroactively if deemed necessary or appropriate, to modify or amend in whole or in part any or all of the provisions of the Plan. Any amendment or modification to the Plan shall be effective at such date as the Committee may determine.

(b) Effect of Amendment. The right to amend described in Section 11.1(a) may be exercised at any time, without the consent of any Participant or Beneficiary; provided, however, that no amendment shall divest any Participant or Beneficiary of rights to which he or she would have been entitled if the Plan had been terminated on the effective date of such amendment except: (i) to the extent that a termination of the Plan pursuant to Section 11.2 would result in an accelerated distribution of the Participant's benefits under the Plan; and (ii) to the extent necessary to comply with any applicable law, rule or regulation, including, but not limited to, Code Section 409A. Notwithstanding the foregoing, the Plan and any payment hereunder may be amended unilaterally by the Committee, subject to the restrictions described in Section 11.1(a), at any time to make such changes as may be required to comply with Section 409A.

7. In Section 11.2 (regarding termination of the Plan), the references to the Compensation Committee are amended to refer to the Committee.

8. In Section 11.2(c), the references to the Company are amended to refer to Devon Energy Corporation and the references to Affiliates are amended to refer to all persons with whom Devon Energy Company would be considered a single employer under Sections 414(b) and 414(c) of the Code.

9. The following is added as a second paragraph of Section 12.1:

The Plan shall continue to be considered entirely unfunded both for tax purposes and for purposes of Title I of ERISA and no provision shall at any time be made with respect to segregating assets of Devon or DEPCO for payment of any amounts under the Plan. No Participant or any other person shall have any interest in any particular assets of Devon or DEPCO by reason of the right to receive a benefit under the Plan and Devon and DEPCO's assumption of liabilities hereunder. To the extent the Participant or any other person acquires a right to receive benefits under the Plan, the Participant or such other person shall have the status of a general unsecured creditor of Devon and DEPCO. Devon and DEPCO's assumption of liabilities hereunder constitutes a mere unsecured, unfunded promise by Devon and DEPCO for the payment of benefits payable under the Plan to the Participants in the future. Nothing contained in the Plan shall constitute a guaranty by Devon or DEPCO or any other person or entity that any funds in any trust or the assets of Devon or DEPCO will be sufficient to pay any benefit under the Plan. No Participant shall have any right to a benefit under the Plan except in accordance with the terms of the Plan.

10. The following is added as Section 12.3(d):

(d) Impact of Devon and DEPCO Assumption. Any trust established pursuant to this Section 12.3 shall require that, in the event of the insolvency of Devon or DEPCO, the assets of such trust shall be subject to the claims of Devon's or DEPCO's creditors, as applicable. Devon's and DEPCO's obligations under the Plan may be satisfied with Trust assets distributed pursuant to the terms of the Trust, and any such distribution shall reduce Devon's and DEPCO's obligations under the Plan.

11. The following is added as a second paragraph of Section 12.12:

Subject to Section 1.7, Devon and DEPCO hereby assume joint and several liability for all indemnification obligations arising under this Section 12.12 with respect to actions or failures to act prior to the execution date of the Second Amendment to the Plan. This Section 12.12 shall not apply to actions or failures to act on or after the execution date of the Second Amendment to the Plan, and all indemnification obligations with respect to such actions or failures to act shall be governed by Section 9.3(e).

12. Except as modified herein, the Plan shall remain in full force and effect.

13. This Second Amendment may be executed in multiple counterparts, each of which taken together will constitute one and the same instrument.

[Signatures on following page.]

IN WITNESS WHEREOF, WPX Energy Services Company, LLC, Devon Energy Corporation and Devon Energy Production Company, L.P. have caused this Second Amendment to the Plan to be executed this 15th day of December, 2021.

WPX Energy Services Company, LLC

By: /s/Jeffrey L. Ritenour

Name: Jeffrey L. Ritenour

Title: Executive Vice President

Devon Energy Corporation

By: /s/Tana K. Cashion

Name: Tana K. Cashion

Title: Senior Vice President Human Resources and Administration

Devon Energy Production Company, L.P.

By: /s/Tana K. Cashion

Name: Tana K. Cashion

Title: Senior Vice President

FIRST AMENDMENT TO THE
WPX ENERGY BOARD OF DIRECTORS
NONQUALIFIED DEFERRED COMPENSATION PLAN

WHEREAS, WPX Energy, Inc. maintains the WPX Energy Board of Directors Nonqualified Deferred Compensation Plan, effective January 1, 2013 (the "Plan"); and

WHEREAS, WPX Energy, Inc. has become a wholly owned subsidiary of Devon Energy Corporation as a result of the merger transaction that was consummated on January 7, 2021 (the "Merger"); and

WHEREAS, the Plan was established to provide members of the Board of Directors of WPX Energy, Inc. (the "Board") who are not employees of WPX Energy, Inc. ("Non-Management Directors") the opportunity to defer receipt of cash and equity compensation with respect to service as a Non-Management Director; and

WHEREAS, in connection with the Merger, the Board ceased to have Non-Management Directors; and

WHEREAS, WPX Energy, Inc. and Devon Energy Corporation desire to amend the Plan to reflect Devon Energy Corporation's assumption of sponsorship of the Plan and the assumption of liabilities under the Plan, the transition of governance and amendment responsibility resulting from the Merger and the removal of restrictions on dividend equivalent rights.

NOW, THEREFORE, in consideration of the premises, the Plan is hereby amended in the following respects, effective as of the date this First Amendment is executed by WPX Energy, Inc. and Devon Energy Corporation:

1. Sections 1.4, 1.5 and 1.6 are added to the Plan as follows:

1.4 **Assumption of Sponsorship.** Devon hereby assumes sponsorship of the Plan.

1.5 **Assumption of Liabilities.** Devon hereby assumes liability for all obligations under the Plan, including the payment of benefits and expenses thereunder. All provisions of the Plan referring to the Company's obligation to pay benefits and all provisions of the Plan that are protective or exculpatory with respect to the Company shall be construed to refer to Devon.

1.6 **Status of Plan.** Notwithstanding any contrary provision of the Plan, the Plan is a frozen plan. There shall be (i) no Deferred Cash Compensation credited to the Deferred Money Account of any Participant with respect to the 2021 Plan Year or any subsequent Plan Year; and (ii) no Restricted Stock Units credited to the Deferred Equity Account of any Participant with respect to the 2021 Plan Year or any subsequent Plan Year.

2. Section 2.17 is amended and restated as follows:

2.17 **"Plan Administrator"** shall mean: (i) the Devon Board, with respect to any function for which the Devon Board, as successor to the WPX Energy, Inc. Board of Directors, is assigned responsibility as the "Committee" pursuant to Article 3 of the Incentive Plan, subject to

the Devon Board's delegation of responsibility for such function; and (ii) the Devon Committee, for all other purposes with respect to the Plan. All administrative authority and responsibility allocated to the Board under the Plan is allocated to the Devon Board and all administrative authority and responsibility allocated to the Compensation Committee under the Plan is allocated to the Devon Committee. All references in the Plan assigning any administrative authority or responsibility to the Board are amended to refer to the Devon Board. All references in the Plan assigning any administrative authority or responsibility to the Compensation Committee are amended to refer to the Devon Committee. The Board and the Compensation Committee shall have no prospective authority or responsibility with respect to the Plan.

3. Sections 2.24, 2.25 and 2.26 are added to the Plan as follows:

2.24 **"Devon Committee"** shall mean the Compensation Committee of the Board of Directors of Devon or a committee established by the Compensation Committee of the Board of Directors of Devon that has been delegated duties related to the Plan.

2.25 **"Devon"** shall mean Devon Energy Corporation.

2.26 **"Devon Board"** shall mean the Board of Directors of Devon.

4. Section 4.2(g) is amended and restated as follows:

(g) Voting Rights. As described in Section 8.2 of the Incentive Plan, a Participant who has had Restricted Stock Units allocated to his or her Deferred Equity Account will have no voting rights in respect of Restricted Stock Units.

5. Sections 5.1 and 5.2 are amended and restated as follows:

5.1 **Deemed Investments.** Each Participant shall designate, in accordance with any procedures, restrictions and conditions established by the Plan Administrator, the manner in which the amounts credited to the Participant's Deferred Money Account shall be deemed to be invested for purposes of determining the amount of earnings and losses to be credited to such Deferred Money Account. For this purpose, a Participant may specify that all or any percentage of his or her Deferred Money Account shall be deemed to be invested, in such percentage increments as the Plan Administrator may prescribe, in one or more of the Funds that have been designated as alternative investments under the Plan pursuant to Section 5.2. A Participant's designation shall remain in effect until a new designation is made in the manner required by the Plan Administrator, subject to the termination and/or replacement of a Fund as an available investment option and further subject to any timing restrictions imposed by the Plan Administrator. If a Participant fails to provide a designation in the manner required by the Plan Administrator, the Participant's Deferred Money Account shall be deemed to be invested in a default Fund designated by the Plan Administrator from time to time for such purpose.

5.2 **Investment Funds.** The Plan Administrator shall specify the investment options that will constitute the Funds and may change the available investment options from time to time. The Plan Administrator and any employee of Devon or an Affiliate and other individual or entity currently or previously designated to act on behalf of the Plan Administrator for the purpose of selecting the Funds make no promise or guarantee regarding the performance of any Fund and

shall have no liability to any Participant, Beneficiary or any other individual or entity with respect to the selection of the Funds or any decrease (or lack of increase) in a Participant's or Beneficiary's Deferred Money Account as a result of the performance or lack thereof of: (i) the Funds selected by the Participant; or (ii) the default Fund applicable to amounts for which a Participant or Beneficiary has failed to provide an investment designation in the manner required by the Plan Administrator. A Participant or Beneficiary assumes all risk associated with his or her investment designation or failure to provide an investment designation, as well as all risk associated with the unsecured nature of the Plan as described in Section 11.1.

6. In Sections 10.1 (regarding amendment of the Plan) and 10.2 (regarding termination of the Plan), the references to the Board are amended to refer to the Devon Board and the references to the Compensation Committee are amended to refer to the Devon Committee. All amendment and termination authority and responsibility allocated to the Board under the Plan is allocated to the Devon Board and all references in the Plan assigning amendment and termination authority or responsibility to the Board are amended to refer to the Devon Board. All amendment authority and responsibility allocated to the Compensation Committee under the Plan is allocated to the Devon Committee and all references in the Plan assigning amendment authority or responsibility to the Compensation Committee are amended to refer to the Devon Committee.

7. In Section 10.2(c), the references to the Company are amended to refer to Devon and the references to Affiliates are amended to refer to all persons with whom Devon would be considered a single employer under Sections 414(b) and 414(c) of the Code.

8. The following is added as a second paragraph of Section 11.1:

The Plan shall continue to be considered entirely unfunded both for tax purposes and for purposes of Title I of ERISA and no provision shall at any time be made with respect to segregating assets of Devon for payment of any amounts under the Plan. No Participant or any other person shall have any interest in any particular assets of Devon by reason of the right to receive a benefit under the Plan and Devon's assumption of liabilities hereunder. To the extent the Participant or any other person acquires a right to receive benefits under the Plan, the Participant or such other person shall have the status of a general unsecured creditor of Devon. Devon's assumption of liabilities hereunder constitutes a mere unsecured, unfunded promise by Devon for the payment of benefits payable under the Plan to the Participants in the future. Nothing contained in the Plan shall constitute a guaranty by Devon or any other person or entity that any funds in any trust or the assets of Devon will be sufficient to pay any benefit under the Plan. No Participant shall have any right to a benefit under the Plan except in accordance with the terms of the Plan.

9. The following is added as Section 11.3(d):

(d) Impact of Devon Assumption. Any trust established pursuant to this Section 11.3 shall require that, in the event of the insolvency of Devon, the assets of such trust shall be subject to the claims of Devon's creditors. Devon's obligations under the Plan may be satisfied with Trust assets distributed pursuant to the terms of the Trust, and any such distribution shall reduce Devon's obligations under the Plan.

10. The following are added as second and third paragraphs of Section 11.12:

Devon hereby assumes joint and several liability for all indemnification obligations arising under the first paragraph of this Section 11.12 with respect to actions or failures to act prior to the execution date of the First Amendment to the Plan. The indemnification provision described in the first paragraph of this Section 11.12 shall not apply to actions or failures to act on or after the execution date of the First Amendment to the Plan.

With respect to actions or failures to act on and after the execution date of the First Amendment to the Plan, the members of the Devon Board and the members of the Devon Committee and their respective agents shall be indemnified and held harmless by Devon against and from any and all loss, cost, liability or expense that may be imposed upon or reasonably incurred by them in connection with or resulting from any claim, action, suit or proceeding to which they may be a party or in which they may be involved by reason of any action taken or failure to act under this Plan and against and from any and all amounts paid by them in settlement (with Devon's written approval) or paid by them in satisfaction of a judgment in any such action, suit or proceeding. The foregoing provisions shall not be applicable to any person if the loss, cost, liability or expense is due to such person's gross negligence or willful misconduct.

11. Except as modified herein, the Plan shall remain in full force and effect.

12. This Second Amendment may be executed in multiple counterparts, each of which taken together will constitute one and the same instrument.

[Signatures on following page.]

IN WITNESS WHEREOF, WPX Energy, Inc. and Devon Energy Corporation have caused this First Amendment to the Plan to be executed this 9th day of December, 2021.

WPX Energy, Inc.

By: /s/Jeffrey L. Ritenour

Name: Jeffrey L. Ritenour

Title: Executive Vice President and Chief Financial Officer

Devon Energy Corporation

By: /s/Tana K. Cashion

Name: Tana K. Cashion

Title: Senior Vice President Human Resources and Administration

Exhibit 10.41

WPX ENERGY NONQUALIFIED

RESTORATION PLAN

Amended and Restated Effective January 1, 2015

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WPX ENERGY NONQUALIFIED
RESTORATION PLAN

PURPOSE AND INTENT

1.1 Purpose of the Plan. WPX Energy Services Company, LLC, a Delaware limited liability company (the "Company"), hereby amends and restates the WPX Energy Nonqualified Restoration Plan (the "Plan"), effective January 1, 2015 (the "Effective Date"). The purpose of the Plan is to restore to eligible employees certain benefits that may be limited under the Company's qualified retirement plan as a result of limits imposed on such benefits under the Internal Revenue Code. To accomplish its objectives, the Plan consists of a combination of separate plans, with the first plan being an excess benefit plan as described in Section 3(36) of ERISA and the second plan being a make-up for benefits that are limited due to Section 401(a)(17) of the Code or that are limited due to participation in the NQDC Plan. The Plan is intended to attract and retain highly qualified employees and to reward such individuals for their contributions to the success of the Company and its Affiliates. Except as otherwise provided herein, the Plan as amended and restated reflects the contribution provisions as applicable from the Plan's inception.

1.2 Intent and Construction. The Plan shall be "unfunded" for tax purposes and for purposes of Title I of ERISA. A Participant's interests under the Plan do not represent or create a claim against specific assets of the Company or any Affiliate. Nothing herein shall be deemed to create a trust of any kind or create any fiduciary relationship between the Company, an Affiliate, the Administrative Committee, the Benefits Committee and a Participant, the Participant's Beneficiary or any other person. To the extent any person acquires a right to receive payments under this Plan, such right is no greater than the right of any other unsecured general creditor of the Company or applicable Employer. The Plan is intended to be in compliance with Section 409A of the Code and shall be interpreted, applied and administered at all times in accordance with Section 409A of the Code and the guidance issued thereunder. With respect to the portion of the Plan that is not an excess benefit plan as described in Section 3(36) of ERISA, the Plan is intended to be an unfunded and unsecured plan maintained by the Company primarily for the purpose of providing deferred compensation for a select group of management or highly compensated employees.

ARTICLE II
DEFINITIONS

2.1 "Account" shall mean the bookkeeping account maintained under the Plan to reflect the Contribution Credits allocated to a Participant pursuant to Section 4.1, and any earnings credited thereto.

2.2 "Administrative Committee" shall mean the committee which is initially comprised of an individual or of those individuals who are appointed to serve on the Administrative Committee by the Benefits Committee, as well as any individual who becomes a member of the Administrative Committee pursuant to Section 8.1, until the time that any such individual ceases to be a member of the Administrative Committee pursuant to Section 8.1.

2.3 "Affiliate" shall mean all persons with whom the Company would be considered a single employer under Sections 414(b) and 414(c) of the Code.

2.4 "Beneficiary" or **"Beneficiaries"** shall mean, with respect to a Participant, the person or persons designated or otherwise determined in accordance with Article VII to receive any benefits which may become payable under the Plan by reason of the death of the Participant. A person designated or

otherwise determined to be a Beneficiary under the terms of the Plan has no interest in or right under the Plan until the Participant in question has died. A person will cease to be a Beneficiary on the day on which all benefits to which such person is entitled under the Plan have been distributed.

2.5 **"Benefits Committee"** shall mean the committee which is composed of an individual or those individuals who are appointed by the Company, as well as any individual who becomes a member of the Benefits Committee pursuant to Section 8.2, until the time that any such individual ceases to be a member of the Benefits Committee pursuant to Section 8.2.

2.6 **"Board"** shall mean the board of directors of WPX Energy, Inc.

2.7 **"Code"** shall mean the Internal Revenue Code of 1986, as amended (including, when the context requires, all regulations, interpretations and rulings issued thereunder). Any reference to a specific provision of the Code includes a reference to that provision as it may be amended from time to time and to any successor provision.

2.8 **"Company"** shall mean WPX Energy Services Company, LLC.

2.9 **"Compensation Committee"** shall mean the committee of the Board designated as the Compensation Committee.

2.10 **"Contribution Credits"** shall mean the amounts credited to a Participant's Account pursuant to Article IV.

2.11 **"Disability"** and **"Disabled"** shall mean (consistent with the requirements of Section 409A) that the Participant: (a) is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than 12 months; or (b) is, by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, receiving income replacement benefits for a period of not less than three months under an accident and health plan covering employees of the Employer. The Administrative Committee may require that the Participant submit evidence of such qualification for disability benefits to determine that the Participant is disabled under this Plan.

2.12 **"Eligible Employee"**

(a) For purposes of eligibility to receive a Contribution Credit for a Plan Year pursuant to Sections 4.1(a)(1), 4.1(b) and/or 4.1(c), the term "Eligible Employee" shall mean an employee of an Employer who:

(1) is in a class of employees designated by the Compensation Committee to be eligible to participate in the Plan; and

(2) with respect to Sections 4.1(a)(1) and 4.1(b), is a participant in the Qualified Plan whose allocation of Employer Matching Contributions or Employer Non-Matching Contributions to his or her Qualified Plan account for such Plan Year has been limited due to the application of Section 401(a)(17) of the Code; and

(3) with respect to Section 4.1(c), is a participant in the Qualified Plan whose allocation of Employer Non-Matching Contributions to his or her Qualified Plan

account for such Plan Year has been reduced as a result of such employee's election to defer compensation under the NQDC Plan.

(b) For purposes of eligibility to receive a Contribution Credit for a Plan Year under the excess benefit plan (as described in Section 3(36) of ERISA) component of the Plan pursuant to Section 4.1(a)(2), the term "Eligible Employee" shall mean an employee of an Employer who:

(1) is in a class of employees designated by the Compensation Committee to be eligible to participate in the Plan; and

(2) is a participant in the Qualified Plan whose allocation of Employer Non-Matching Contributions to his or her Qualified Plan account for such Plan Year has been limited due to the application of Section 415 of the Code.

(c) Notwithstanding Sections 2.12(a) and (b), in no event shall an individual be an Eligible Employee if such individual is determined by the Compensation Committee to be ineligible for any reason, including a determination that such individual does not belong to a select group of management or highly compensated employees.

2.13 **"Employer"** shall mean the Company and any Affiliate which has been designated by the Compensation Committee as a participating employer in the Plan.

2.14 **"Employer Matching Contributions"** shall have the meaning given to that term in the Qualified Plan.

2.15 **"Employer Matching Contribution Account"** shall have the meaning given to that term in the Qualified Plan.

2.16 **"Employer Non-Matching Contributions"** shall have the meaning given to that term in the Qualified Plan.

2.17 **"Employer Non-Matching Contribution Account"** shall have the meaning given to that term in the Qualified Plan.

2.18 **"ERISA"** shall mean the Employee Retirement Income Security Act of 1974, as amended (including, when the context requires, all regulations, interpretations and rulings issued thereunder). Any reference to a specific provision of ERISA includes a reference to that provision as it may be amended from time to time and to any successor provision.

2.19 **"Fund"** or **"Funds"** shall mean one or more of the investment options designated as an available investment option under the Plan pursuant to Section 5.2.

2.20 **"NQDC Plan"** shall mean the WPX Energy Nonqualified Deferred Compensation Plan, as amended.

2.21 **"Participant"** shall mean an Eligible Employee for whom an Account is maintained. An individual will cease to be a Participant at such time that the Participant's Account has been fully distributed or forfeited in accordance with the Plan.

2.22 **"Plan"** shall mean the WPX Energy Nonqualified Restoration Plan, as amended.

2.23 **"Plan Year"** shall have the meaning given to that term in the Qualified Plan.

2.24 **"Qualified Plan"** shall mean the WPX Energy Savings Plan, as amended.

2.25 **"Section 409A"** shall mean Section 409A of the Code, as amended, and all rules, regulations, interpretations and rulings issued thereunder.

2.26 **"Separation from Service"** shall mean the complete termination of a Participant's services as an employee of an Employer, whether voluntary or involuntary, for any reason or, if less than a complete termination, such services decrease to a level that is less than twenty percent (20%) of the average level of services performed by the Participant over the immediately preceding thirty-six (36) month period (or the full period of services if the Participant has been employed by the Employer for less than thirty-six (36) months). For purposes of applying this Section 2.26, the term "Separation from Service" shall be applied in conformance with Section 1.409A-1(h) of the Treasury Regulations. For the limited purpose of determining whether a Separation from Service has occurred, the term "Employer" shall include the person for whom the Participant performs services and all persons with whom such person would be considered a single employer under Sections 414(b) and (c) of the Code, except that in applying Sections 1563(a)(1), (2), and (3) of the Code for purposes of determining a controlled group of corporations under Section 414(b) of the Code, the language "at least 50 percent" is used instead of "at least 80 percent" each place it appears in Section 1563(a)(1), (2), and (3), and in applying Section 1.414(c)-2 of the Treasury Regulations for purposes of determining trades or businesses that are under common control for purposes of Section 414(c) of the Code, "at least 50 percent" is used instead of "at least 80 percent" each place it appears in Section 1.414(c)-2 of the Treasury Regulations.

2.27 **"Vested Percentage"** means the Participant's nonforfeitable percentage under the terms of the Qualified Plan, determined as of the date of the Participant's Separation from Service. For this purpose: (i) the Participant's nonforfeitable percentage with respect to Employer Matching Contributions under the Qualified Plan shall apply to Contribution Credits under this Plan determined pursuant to Section 4.1(a)(1); and (ii) the Participant's nonforfeitable percentage with respect to Employer Non-Matching Contributions under the Qualified Plan shall apply to Contribution Credits under this Plan determined pursuant to Section 4.1(a)(2), 4.1(b) and 4.1(c). Notwithstanding the preceding two sentences, if a Participant dies or is Disabled prior to the Participant's Separation from Service, the Participant's Vested Percentage with respect to all amounts credited under this Plan shall be 100% as of the date of such death or Disability.

ARTICLE III
PARTICIPATION

An Eligible Employee shall become a Participant in the Plan at the time he or she is first credited with a Contribution Credit for a Plan Year pursuant to Section 4.1; provided, however, that a Participant shall only be eligible to receive a Contribution Credit with respect to any subsequent Plan Year if he or she satisfies the requirements of Section 4.1 for such Plan Year.

ARTICLE IV
CONTRIBUTION CREDITS AND ACCOUNTS

4.1 **Contribution Credits.** The amount credited to an Eligible Employee's Account with respect to a Plan Year shall be determined in accordance with the terms of this Section 4.1.

(a) Restoration of Matching Contributions Limited by Code Section 401(a)(17) and Non-Matching Contributions Limited by Code Section 415. Subject to the restrictions described

in this Section 4.1, if, for the applicable Plan Year, an Eligible Employee has made the maximum elective deferral contribution to the Qualified Plan permitted under Section 402(g) of the Code or the maximum elective deferral contribution permitted under the terms of the Qualified Plan, the Employer shall credit to such Eligible Employee's Account an amount equal to:

(1) the amount of Employer Matching Contributions that would have been (but were not) allocated to such Eligible Employee's Employer Matching Contribution Account in the Qualified Plan for such Plan Year had such Employer Matching Contributions not been limited by application of Section 401(a)(17) of the Code; and

(2) the amount of Employer Non-Matching Contributions that would have been (but were not) allocated to such Eligible Employee's Employer Non-Matching Contribution Account in the Qualified Plan for such Plan Year had such Employer Non-Matching Contributions not been limited by application of Section 415 of the Code.

(b) Restoration of Non-Matching Contributions Limited by Code Section 401(a)(17). Subject to the restrictions described in this Section 4.1, the Employer shall credit to an Eligible Employee's Account an amount equal to the amount of Employer Non-Matching Contributions that would have been (but were not) allocated to such Eligible Employee's Employer Non-Matching Contribution Account in the Qualified Plan for the applicable Plan Year had such Employer Non-Matching Contributions not been limited by application of Section 401(a)(17) of the Code.

(c) Restoration of Non-Matching Contributions Limited by NQDC Plan Deferrals. Subject to the restrictions described in this Section 4.1, if an Eligible Employee has elected to defer compensation under the NQDC Plan for a Plan Year, the Employer shall credit to such Eligible Employee's Account an amount equal to the amount of Employer Non-Matching Contributions that would have been (but were not) allocated to such Eligible Employee's Employer Non-Matching Contributions Account in the Qualified Plan for such Plan Year but for such Eligible Employee's deferral election in the NQDC Plan.

(d) Last Day of Year Employment Requirement. Effective as of January 1, 2015, an Eligible Employee must be employed by the Employer on the last day of the applicable Plan Year to receive an allocation of Contribution Credits under Sections 4.1(a), (b) or (c) for such Plan Year unless, during such Plan Year, the Eligible Employee: (i) terminated employment with the Employer after satisfying the age and service requirements to be considered to have retired within the meaning of the Retirement Definition Policy applicable to the Qualified Plan, as in effect on the date of such Eligible Employee's Separation from Service; (ii) Separates from Service due to Death; or (iii) Separates from Service due to Disability. An Eligible Employee who is on a leave of absence that has been authorized by the Employer will be considered to be employed by the Employer for purposes of this Section 4.1(d).

(e) Determination of Contribution Credits. The initial Contribution Credits under this Section 4.1 shall be allocable with respect to the contributions made to the Qualified Plan for the Plan Year ending on December 31, 2012. The amount of any subsequent Contribution Credits to be allocated to an Eligible Employee's Account under this Section 4.1 shall be determined under the terms of the Plan as in effect on the date that such amount is credited to an Eligible Employee's Account pursuant to Section 4.2(a). An Eligible Employee shall have no right or claim to have any amount credited to his or her Account pursuant to this Section 4.1, with respect to the applicable Plan Year, prior to the date that such amount is credited to the Eligible Employee's Account.

(f) Incorporation of Qualified Plan Terms. In addition to the other requirements described in this Section 4.1, an Eligible Employee's eligibility to receive Contribution Credits pursuant to this Section 4.1 with respect to a Plan Year also shall be contingent on the Eligible Employee's satisfaction of any applicable service or eligibility requirements to receive Employer Matching Contributions or Employer Non-Matching Contributions, as applicable, under the terms of the Qualified Plan. The amounts credited to an Eligible Employee's Account under this Section 4.1 shall be calculated using the same percentages on which the Eligible Employee's Employer Matching Contributions and Employer Non-Matching Contributions in the Qualified Plan for the Plan Year were determined.

(g) Minimum Contribution Credit. Notwithstanding anything in this Section 4.1 to the contrary, in no event will an initial Contribution Credit be allocated to an Eligible Employee's Account unless the aggregate of such initial Contribution Credit is at least fifty dollars ($50).

4.2 Accounts.

(a) Crediting of Accounts. An Account will be maintained for each Participant to whom amounts are credited pursuant to Section 4.1. Contribution Credits pursuant to Section 4.1 will be credited to the Participant's Account as of a date established by the Administrative Committee following the end of the Plan Year to which such Contribution Credits relate (provided that such date shall be no later than the last day of the next following Plan Year).

(b) Establishment of Subaccounts. A Participant's Account may be divided into such subaccounts as are determined necessary to reflect amounts that may be credited under different components of the Plan or that may be subject to different Vested Percentages, as determined under the terms of the Qualified Plan, and for such other purposes as determined necessary or appropriate by the Administrative Committee or a recordkeeper engaged to provide recordkeeping services with respect to the Plan.

(c) Nature of Accounts. A Participant's Account and any subaccounts created thereunder will be used solely as a measuring device to determine the amount to be paid to a Participant under this Plan. An Account does not constitute, nor will it be treated as, property or a trust fund of any kind. A Participant's rights hereunder are limited to the right to receive Plan benefits as provided herein.

Deemed Investment of Accounts

5.1 Participant Designation. Each Participant shall designate, in accordance with any procedures, restrictions and conditions established by the Administrative Committee, the manner in which the amounts credited to the Participant's Account shall be deemed to be invested for purposes of determining the amount of earnings and losses to be credited to such Account. For this purpose, a Participant may specify that all or any percentage of his or her Account shall be deemed to be invested, in such percentage increments as the Administrative Committee may prescribe, in one or more of the Funds that have been designated as alternative investments under the Plan pursuant to Section 5.2. A Participant's designation shall remain in effect until a new designation is made in the manner required by the Administrative Committee, subject to the termination and/or replacement of a Fund as an available investment option and further subject to any timing restrictions imposed by the Administrative Committee. If a Participant fails to provide a designation in the manner required by the Administrative Committee, the Participant's Account shall be deemed to be invested in a default Fund designated by the Company from time to time for such purpose.

5.2 **Investment Funds.** The Company shall specify the investment options that will constitute the Funds and may change the available investment options from time to time. The Company may designate employees of the Company or other individuals or entities to act, solely in an agency capacity, on behalf of the Company for this purpose. The Company and any employee of the Company and other individual or entity designated to act on behalf of the Company for the purpose of selecting the Funds, as well as the Administrative Committee and the Benefits Committee, make no promise or guarantee regarding the performance of any Fund and shall have no liability to any Participant, Beneficiary or any other individual or entity with respect to the selection of the Funds or any decrease (or lack of increase) in a Participant's or Beneficiary's Account as a result of the performance or lack thereof of: (i) the Funds selected by the Participant; or (ii) the default Fund applicable to amounts for which a Participant or Beneficiary has failed to provide an investment designation in the manner required by the Administrative Committee. A Participant or Beneficiary assumes all risk associated with his or her investment designation or failure to provide an investment designation, as well as all risk associated with the unsecured nature of the Plan as described in Section 11.1.

5.3 **Earnings Allocations.** The balance of a Participant's Account shall reflect the result of daily pricing of the assets in which such Account is deemed invested from time to time until the time of distribution.

5.4 **Purpose of Investment Elections.** A Participant's Fund elections shall be solely for purposes of calculation of the notional gains and losses credited on the Participant's Account. The Employers shall have no obligation to set aside or invest amounts as directed by the Participant and, if an Employer elects to invest amounts as directed by the Participant, the Participant shall have no more right to such investments than any other unsecured general creditor.

ARTICLE VI
DISTRIBUTIONS

6.1 **Distribution upon Death or Determination of Disability.** In the event a Participant is determined to be Disabled or dies prior to the commencement of payment of Plan benefits, the Vested Percentage of the Participant's Account shall be paid to the Participant or, in the case of death, the Participant's Beneficiary, in a single lump sum payment of cash within the ninety (90) day period beginning on the date of determination of Disability or the date of death, as applicable. The amount distributed pursuant to this Section 6.1 shall be the value of the Participant's Account as of the last day of the month preceding the date of distribution, multiplied by the Participant's Vested Percentage. In the event multiple subaccounts are maintained on a Participant's behalf, the respective Vested Percentages applicable to such subaccounts shall be applied to determine the amount to be distributed.

6.2 **Distribution upon Separation from Service Other than due to Death or Determination of Disability.** In the event of a Participant's Separation from Service other than by reason of Disability or death, the Vested Percentage of the Participant's Account shall be paid to the Participant in a single lump sum payment of cash within the thirty (30) day period beginning on the first day of the seventh (7th) month commencing after such Separation from Service. The amount distributed pursuant to this Section 6.2 shall be the value of the Vested Percentage of the Participant's Account as of the last day of the month preceding the date of distribution, multiplied by the Participant's Vested Percentage. If multiple subaccounts are maintained on a Participant's behalf, the respective Vested Percentages applicable to such subaccounts shall be applied to determine the amount to be distributed.

6.3 **Distribution of Contribution Credits Allocated after Payment of Account.** In the event a Participant is eligible to receive an allocation of Contribution Credits pursuant to Section 4.1 after the date that such Participant receives a distribution of his or her Account pursuant to Sections 6.1 or 6.2,

the value of the Vested Percentage of such Contribution Credits shall be paid to the Participant in a single lump sum payment of cash within the thirty (30) day period beginning on the date that such Contribution Credits would otherwise be allocated to the Participant's Account pursuant to Section 4.2(a).

6.4 Cashout Distributions. Notwithstanding any other provision in the Plan, in accordance with Section 1.409A-3(j)(4)(v) of the Treasury Regulations, the Employer shall have the discretion to require a mandatory lump sum payment of a Participant's Account as of a date specified by the Administrative Committee, provided that: (i) the payment results in the termination and liquidation of the entirety of the Participant's interest under the Plan, including all agreements, methods, programs, or other arrangements with respect to which deferrals of compensation are treated as having been deferred under a single nonqualified deferred compensation plan under Section 1.409A–1(c)(2) of the Treasury Regulations; and (ii) the payment is not greater than the applicable dollar amount under Section 402(g)(1)(B) of the Code.

BENEFICIARY DESIGNATIONS

7.1 Beneficiary. Each Participant shall have the right, at any time, to designate his or her Beneficiary(ies) (both primary as well as contingent) to whom payment under the Plan shall be made in the event of the Participant's death.

7.2 Beneficiary Designation; Change of Beneficiary Designation. A Participant shall designate his or her Beneficiary by executing and submitting a beneficiary designation form (which may be electronic) to the Administrative Committee in the manner prescribed by the Administrative Committee. A Participant shall have the right to change a Beneficiary by executing and submitting a new beneficiary designation form in the manner prescribed by the Administrative Committee. Upon the acceptance by the Administrative Committee of a new beneficiary designation form, all beneficiary designations previously filed shall be cancelled. The Employer and the Administrative Committee shall be entitled to rely on the last beneficiary designation form filed by the Participant and acknowledged by the Administrative Committee prior to his or her death.

7.3 Acknowledgment. No designation or change in designation of a Beneficiary shall be effective until received and acknowledged by the Administrative Committee or its designee during the Participant's lifetime.

7.4 No Beneficiary Designation. If a Participant fails to designate a Beneficiary as provided in this Article VII or if all designated Beneficiaries predecease the Participant or die prior to complete distribution of the Participant's benefits, then the Administrative Committee shall direct the distribution of such benefits to the Participant's estate unless the Participant is survived by a spouse, in which event such distribution shall be made to the surviving spouse.

7.5 Divorce. Prior to the Participant's death and upon the entry of a decree of divorce respecting a married Participant and his or her spouse, any designation of such spouse as Beneficiary of such Participant shall be revoked automatically and become ineffective on and after the date the decree is entered. The automatic revocation of such Beneficiary designation shall cause the Participant's benefit to be distributed under the provisions of the Plan as if such spouse had predeceased the Participant. However, a Participant may designate a former spouse as a Beneficiary under the Plan, provided a properly completed Beneficiary designation form is submitted to and acknowledged by the Administrative Committee subsequent to entry of a decree of divorce respecting the Participant and such former spouse.

7.6 **Doubt as to Beneficiary.** If the Administrative Committee has any doubt as to the proper Beneficiary to receive payments pursuant to the Plan, the Administrative Committee shall have the right, exercisable in its discretion, to withhold such payments until this matter is resolved to the Administrative Committee's satisfaction.

7.7 **Discharge of Obligations.** The payment of benefits under the Plan to a Beneficiary shall fully and completely discharge the Employer and all Affiliates from all further obligations under the Plan with respect to the Participant.

ARTICLE VIII
ADMINISTRATION

8.1 **Provisions Concerning the Administrative Committee.**

(a) Membership and Voting. The Administrative Committee shall consist of not less than one (1) member. The Administrative Committee may remove any of its members at any time, with or without cause, by written notice to such member. Any member may resign by delivering a written resignation to the Administrative Committee. Vacancies in the Administrative Committee arising by death, resignation or removal shall be filled by the Administrative Committee. The Administrative Committee shall act by a majority of its members at the time in office, and such action may be taken by a vote at a meeting, in writing without a meeting, or by telephonic communications. Attendance at a meeting shall constitute waiver of notice thereof. A member of the Administrative Committee who is a Participant of the Plan shall not vote on any question relating specifically to such Participant. Any such action shall be voted or decided by a majority of the remaining members of the Administrative Committee. The Administrative Committee shall designate one (1) of the members as the chairman and shall appoint a secretary who may, but need not, be a member. The Administrative Committee may appoint from its members such subcommittees with such powers as the Administrative Committee shall determine.

(b) Duties of Administrative Committee. The Administrative Committee shall administer the Plan in accordance with its terms and shall have all the powers and discretionary authority necessary to carry out such terms. The Administrative Committee shall execute any certificate, instrument or other written direction on behalf of the Plan and may direct the Employer to make any payment on behalf of the Plan. All interpretations of this Plan, and questions concerning its administration and application, shall be determined by the Administrative Committee in its discretion, and such determination shall be binding on all persons, except as otherwise expressly provided herein. The Administrative Committee may appoint such accountants, counsel, specialists, and other persons as the Administrative Committee deems necessary or desirable in connection with the administration of this Plan. Such accountants and counsel may, but need not, be accountants and counsel for the Employer or an Affiliate.

(c) Establishment of Rules and Procedures. The Administrative Committee may establish such rules and procedures as are necessary for the proper administration of the Plan. All Participant elections, including but not limited to elections with respect to: (i) the Funds which shall act as the basis for crediting of earnings or losses on Account balances; and (ii) Beneficiary designations, must be made in a form provided by the Administrative Committee and must be made in accordance with the procedures, requirements and deadlines established by the Administrative Committee.

8.2 Benefits Committee.

(a) Membership and Voting. The Benefits Committee shall consist of not less than one (1) member and not more than five (5) members and vacancies of the Benefits Committee shall be filled by the remaining members of the Benefits Committee. The Benefits Committee may remove any of its members at any time, with or without cause, by written notice to such member. Any member may resign by delivering a written resignation to the Benefits Committee. The Benefits Committee shall act by a majority of its members at the time in office, and such action may be taken by a vote at a meeting, in writing without a meeting, or by telephonic communications. Attendance at a meeting shall constitute waiver of notice thereof. A member of the Benefits Committee who is a Participant of the Plan shall not vote on any question relating specifically to such Participant. Any such action shall be voted or decided by a majority of the remaining members of the Benefits Committee. The Benefits Committee shall designate one (1) of the members as the chairman and shall appoint a secretary who may, but need not, be a member.

(b) Authority of Benefits Committee. The Benefits Committee's sole responsibility with respect to the Plan shall be the authority to approve certain amendments to the Plan as described in Section 11.1. The Benefits Committee shall have no discretionary authority under the Plan. In the performance of its settlor responsibilities, the Benefits Committee may appoint such accountants, counsel, specialists, and other persons, as it deems necessary or desirable in connection with its duties under this Plan. Such accountants and counsel may, but need not, be accountants and counsel for the Employer or an Affiliate.

CLAIMS AND REVIEW PROCEDURE

9.1 Claims Procedure. Any Participant or Beneficiary may file a written claim with the Administrative Committee setting forth the nature of the benefit claimed, the amount thereof, and the basis for claiming entitlement to such benefit. A claim under this Plan shall be adjudicated by the Administrative Committee in accordance with this Article IX.

(a) Initial Claim. The claimant initiates a claim by submitting to the Administrative Committee a written claim for benefits.

(b) Timing of Administrative Committee Response. The Administrative Committee shall respond to such claimant within ninety (90) days after receiving the claim. If the Administrative Committee determines that special circumstances require additional time for processing the claim, the Administrative Committee can extend the response period by an additional ninety (90) days by notifying the claimant in writing, prior to the end of the initial ninety (90) day period, that an additional period is required. Such notice shall indicate the special circumstances requiring the additional time and the date by which the Administrative Committee expects to respond. If the period of time is extended because the claimant has failed to provide necessary information to decide the claim, the period for the Administrative Committee to respond shall be tolled from the date on which the notification of the additional period is sent to the claimant, until the date on which the claimant provides the information. If the claimant fails to provide necessary information to decide the claim within the time period specified by the Administrative Committee, the claim shall be denied.

(c) Notice of Decision. If the Administrative Committee denies part or all of the claim, the Administrative Committee shall notify the claimant in writing of such denial. Such

notice shall include the specific reason or reasons for the denial; specific references to the Plan provisions on which the denial is based; 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 a description of the Agreement's review procedure including, if applicable, a statement of the claimant's rights to bring a civil action under Section 502 of ERISA following an adverse determination on review.

(d) Deadline to File Claim. To be considered timely under the Plan's claim and review procedure, a claim for payment must be filed with the Administrative Committee on or before the last day of the 12th month beginning after the due date for the requested payment or benefit.

9.2 Review Procedure. If the Administrative Committee denies part or all of the claim, the claimant shall have the opportunity for a full and fair review by the Administrative Committee of the denial, as follows:

(a) Review Request. To initiate the review, the claimant, within sixty (60) days after receiving the Administrative Committee's notice of denial, must file with the Administrative Committee a written request for review.

(b) Additional Submissions. The claimant shall have the opportunity to submit written comments, documents, records and other information relating to the claim. The claimant shall be provided, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to the claim for benefits. The review of the claim shall 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.

(c) Timing of Administrative Committee Response. The Administrative Committee shall respond in writing to such claimant within sixty (60) days after receiving the request for review. If the Administrative Committee determines that special circumstances require additional time for processing the claim, the Administrative Committee can extend the response period by an additional sixty (60) days by notifying the claimant in writing, prior to the end of the initial sixty (60) day period, that an additional period is required. Such notice shall indicate the special circumstances requiring the additional time and the date by which the Administrative Committee expects to respond. If the period of time is extended because the claimant has failed to provide necessary information to decide the claim, the period for the Administrative Committee to respond shall be tolled from the date on which the notification of the additional period is sent to the claimant, until the date on which the claimant provides the information. If the claimant fails to provide necessary information to decide the claim within the time period specified by the Administrative Committee, the claim shall be denied.

(d) Notice of Decision. The Administrative Committee shall notify the claimant in writing of its decision on review. In the case of denial, such notice shall include the specific reason or reasons for the denial; specific references to the Plan provisions on which the denial is based; 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, if applicable, a statement of the claimant's right to bring an action under Section 502(a) of ERISA.

9.3 Disability Claims. In the event a Participant's or Beneficiary's claim relates to a determination of Disability, the claim and review procedures described in Sections 9.1 and 9.2 shall be modified as necessary to comply with the requirements applicable to disability claims under 29 C.F.R. § 2560.503-1.

9.4 Exhaustion of Administrative Remedies. No claimant may commence any legal action to recover a benefit under this Agreement or to enforce or clarify rights under this Plan until the claim and review procedure set forth herein has been exhausted in its entirety. In any such legal action, all explicit and all implicit determinations by the Administrative Committee (including, but not limited to, determinations as to whether the claim, or a request for a review of a denied claim, was timely filed) shall be afforded the maximum deference permitted by law.

9.5 Deadline to File Legal Action. No legal action to recover benefits under this Plan or to enforce or clarify rights under this Plan may be brought by any claimant on any matter pertaining to this Plan unless the legal action is commenced in the proper forum on or before the last day of the twelfth (12th) month beginning after the date the claimant has received a denial on review following exhaustion of the claim and review procedure.

ARTICLE X
ADMENDMENT AND TERMINATION OF THE PLAN

10.1 Amendments.

(a) Right to Amend. The Compensation Committee shall have the right at any time and from time to time, and retroactively if deemed necessary or appropriate, to modify or amend in whole or in part any or all of the provisions of the Plan. The Benefits Committee shall have the right at any time and from time to time, and retroactively if deemed necessary or appropriate, to modify or amend in whole or in part any or all of the provisions of the Plan, provided such modification or amendment constitutes a non-material amendment. Non-material amendments consist of: (i) changes required by applicable law, (ii) modifications of the administrative provisions of the Plan to cause the Plan to operate more efficiently, (iii) changes required as part of the collective bargaining process, and (iv) modifications or amendments to incorporate changes provided that such modification or amendment does not materially increase Employer contributions. Any amendment or modification to the Plan shall be effective at such date as the Compensation Committee may determine with respect to any amendment adopted by the Compensation Committee and as the Benefits Committee may determine with respect to any non-material amendment adopted by the Benefits Committee.

(b) Effect of Amendment. The right to amend described in Section 10.1(a) may be exercised at any time, without the consent of any Participant or Beneficiary; provided, however, that no amendment shall divest any Participant or Beneficiary of rights to which he or she would have been entitled if the Plan had been terminated on the effective date of such amendment except: (i) to the extent that a termination of the Plan pursuant to Section 10.2 would result in an accelerated distribution of the Participant's benefits under the Plan; and (ii) to the extent necessary to comply with any applicable law, rule or regulation, including, but not limited to, Code Section 409A. Notwithstanding the foregoing, the Plan and any payment hereunder may be amended unilaterally by the Compensation Committee or the Benefits Committee, subject to the restrictions described in Section 10.1(a), at any time to make such changes as may be required to comply with Section 409A.

10.2 **Termination of the Plan.** The Compensation Committee shall have the right to terminate the Plan at any time. Upon termination of the Plan, distributions in respect of amounts credited to a Participant's Account as of the date of the termination shall be made in the manner and at the time heretofore prescribed. If the Plan is terminated and a trust has been established (as described in Section 11.3), the trust will pay benefits as provided under the amended or terminated Plan. Notwithstanding the foregoing, the Compensation Committee may, in its sole discretion, terminate the Plan and accelerate the time and form of payment of benefits under the Plan, only under the following circumstances:

(a) The Compensation Committee may terminate and liquidate the Plan within twelve (12) months of a corporate dissolution taxed under Section 331 of the Code, or with the approval of a bankruptcy court pursuant to 11 U.S.C. § 503(b)(1)(A), provided that the remaining unpaid benefits under the Plan are included in the Participants' respective gross incomes in the latest of: (i) the calendar year in which the Plan termination and liquidation occurs; (ii) the first calendar year in which such benefits are no longer subject to a substantial risk of forfeiture; or (iii) the first calendar year in which the payment is administratively practicable.

(b) The Compensation Committee may terminate and liquidate the Plan in connection with the occurrence of a "change in control event" (within the meaning of Section 1.409A-3(i)(5) of the Treasury Regulations) (a "Section 409A Change in Control"), provided that the following requirements are satisfied:

(1) The Compensation Committee takes irrevocable action to terminate and liquidate the Plan during the period beginning thirty (30) days preceding the Section 409A Change in Control and ending twelve (12) months following such Section 409A Change in Control;

(2) The benefits of each Participant under the Plan and all other plans and other arrangements that are treated as single plan with this Plan under Sections 1.409A-1(c) and 1.409A-3(j)(4)(ix) Treasury Regulation (collectively, the "Other Arrangements") are distributed within twelve (12) months following the date that all necessary action to terminate and liquidate the Plan and the Other Arrangements is irrevocably taken; and

(3) All Other Arrangements are terminated and liquidated with respect to each Participant who experienced such Section 409A Change in Control. For purposes of any Section 409A Change in Control that results from an asset purchase transaction, the applicable "service recipient" (within the meaning of Code Section 409A) with the discretion to liquidate and terminate the Plan, the Plan and the Other Arrangements shall be the "service recipient" that is primarily liable immediately after the transaction for the payment of the Plan benefits.

(c) The Compensation Committee may terminate and liquidate the Plan for any other reason, provided that:

(1) The termination and liquidation of the Plan does not occur proximate to a downturn in the financial health of the Company and its Affiliates;

(2) The Company and all of its Affiliates terminate and liquidate all Other Arrangements;

(3) No payments in liquidation of the Plan are made within twelve (12) months of the date that the Compensation Committee takes all necessary action to

irrevocably terminate and liquidate the Plan, other than payments that would be payable under the terms of the Plan if the action to terminate and liquidate the Plan had not occurred;

(4) All payments are made within twenty-four (24) months of the date that the Compensation Committee takes all necessary action to irrevocably terminate and liquidate the Plan; and

(5) The Company and all Affiliates do not adopt any Other Arrangement at any time during the three (3) year period following the date the Company takes all necessary action to irrevocably terminate and liquidate the Plan.

(d) The Compensation Committee may terminate and liquidate the Plan upon such other events and conditions as permitted under Section 409A.

This Section 10.2 shall be construed and administered in a manner consistent with Section 409A and Section 1.409A-3(j)(4)(ix) of the Treasury Regulations.

ARTICLE XI
MISCELLANEOUS

11.1 Unfunded and Unsecured. The Plan shall at all times be considered entirely unfunded both for tax purposes and for purposes of Title I of ERISA and no provision shall at any time be made with respect to segregating assets of an Employer for payment of any amounts under the Plan. No Participant or any other person shall have any interest in any particular assets of an Employer by reason of the right to receive a benefit under the Plan. To the extent the Participant or any other person acquires a right to receive benefits under the Plan, the Participant or such other person shall have the status of a general unsecured creditor of the applicable Employer. The Plan constitutes a mere unsecured, unfunded promise by the applicable Employer for the payment of benefits payable under the Plan to the Participants in the future. Nothing contained in the Plan shall constitute a guaranty by an Employer or any other person or entity that any funds in any trust or the assets of the Employer will be sufficient to pay any benefit under the Plan. No Participant shall have any right to a benefit under the Plan except in accordance with the terms of the Plan.

11.2 Restriction Against Assignment. The Employer shall pay all amounts payable hereunder only to the person or persons designated by the Plan and not to any other person or entity. The right of any Participant to receive any benefits under the Plan shall not be alienable or transferable by the Participant or the Participant's Beneficiary by assignment or any other method, and shall not be subject to any right, claim, lien, judgment, execution, alienation, sale, transfer, assignment, pledge, encumbrance, attachment or garnishment by any creditors of any Participant or a Participant's Beneficiary. No part of a Participant's Accounts shall be subject to any right of offset against or reduction for any amount payable by the Participant or Beneficiary, whether to the Employer or any other party, under any arrangement other than under the terms of this Plan.

11.3 Trust.

(a) Discretionary Establishment of Trust. Notwithstanding anything to the contrary, an Employer may establish one or more accounts, funds or grantor trusts (the "Trust") to reflect obligations under the Plan and may make such investments as it may deem desirable to assist in meeting such obligations. An Employer may transfer money or other property to any such Trust, and the Trust shall pay Plan benefits to Participants and their Beneficiaries out of the Trust Fund.

Such trust or trusts may be irrevocable, but shall provide that in the event of the insolvency of the Employer, the assets of the trust or trusts shall be subject to the claims of the Employer's creditors. No Participant or Beneficiary shall have any preferred claim to, or any beneficial ownership interest in, any assets of the Trust, and Participants shall have the status of general unsecured creditors of the Employer.

(b) Interrelationship of the Plan and the Trust. The provisions of the Plan shall govern the rights of a Participant to receive distribution of benefits under the Plan. The provisions of the Trust shall govern the rights of the Employer and any delegate thereof, Participants and the creditors of the Employer to the assets transferred to the Trust. The Employer shall at all times remain liable to carry out its obligations under the Plan.

(c) Distributions From the Trust. An Employer's obligations under the Plan may be satisfied with Trust assets distributed pursuant to the terms of the Trust, and any such distribution shall reduce the Employer's obligations under the Plan.

11.4 Withholding. The Participant shall make appropriate arrangements with the Employer for satisfaction of any federal, state or local income tax withholding requirements, Social Security and other employee tax or other requirements applicable to the granting, crediting, vesting or payment of benefits under the Plan. There shall be deducted from each payment made under the Plan or any other compensation payable to the Participant (or Beneficiary) all taxes which are required to be withheld by the Employer in respect to such payment or this Plan. The Employer shall have the right to reduce any payment (or other compensation) by the amount of cash sufficient to provide the amount of said taxes.

11.5 Payment in Event of Incapacity. If any individual entitled to receive any payment under the Plan is, in the judgment of the Administrative Committee, physically, mentally or legally incapable of receiving or acknowledging receipt of the payment, and no legal representative has been appointed for the individual, the Administrative Committee may (but is not required to) cause the payment to be made to any one or more of the following as may be chosen by the Administrative Committee: the Beneficiary; the institution maintaining the individual; a custodian for the individual under the Uniform Transfers to Minors Act of any state; or the individual's spouse, child, parent, or other relative by blood or marriage. The Administrative Committee is not required to see to the proper application of any such payment, and the payment completely discharges all claims under the Plan against the Employer, and the Plan to the extent of the payment.

11.6 Protective Provisions. The Participant shall cooperate with the Employer by furnishing any and all information requested by the Administrative Committee to facilitate the administration of the Plan and the payment of benefits hereunder, taking such physical examinations as the Administrative Committee may deem necessary with respect to a determination of Disability and taking such other actions as may be requested by the Administrative Committee. If any fact relating to a Participant or a Beneficiary has been misstated, the correct fact may be used to determine the amount of benefit payable to such Participant or Beneficiary.

11.7 Compliance with Section 409A. The Employer intends that the Plan and all deferred compensation under the Plan be structured so as to comply with, or, as applicable, be excepted from, Section 409A, such that there are no adverse tax consequences, interest or penalties incurred as a result of such deferred compensation. Notwithstanding the Employer's intention, if any deferred compensation under the Plan, including any payment, distribution, transaction or any other action or arrangement contemplated by the provisions of the Plan would violate Section 409A or, if intended to be excepted from 409A, would become subject to 409A, unless the Employer expressly determines otherwise, the Compensation Committee may adopt such policies, procedures and/or amendments to the Plan, and take

such other actions as it deems reasonably necessary or appropriate, without the consent of any Participant, to (a) cause the Plan and the respective payment, distribution, transaction or other action or arrangement to comply with 409A and/or, as applicable, to be excepted from 409A and (b) preserve the intended tax treatment of any such payment, distribution, transaction or other action or arrangement. In such case, the related provisions of the Plan will be deemed modified, or, if necessary, rescinded, including retroactively, in order to comply with the requirements of Section 409A to the extent determined by the Compensation Committee. This Plan will be construed and administered to the fullest extent possible in accordance with the Employer's intentions as set forth in this Section 11.7.

11.8 Recovery of Overpayments. In the event any payments under the Plan are made on account of a mistake of fact or law, the recipient shall return such payment or overpayment to the Employer as requested by the Employer.

11.9 Employment Not Guaranteed. Nothing contained in the Plan nor any action taken hereunder shall be construed to constitute a contract of employment between the Employer and any Participant or as giving any Participant any right to continue the provision of services in any capacity whatsoever to the Employer.

11.10 Participants Should Consult Advisors. The Employers, the Board, the Administrative Committee and the Benefits Committee make no representation or warranty with respect to the tax, financial, estate planning or other legal implications of participation in the Plan. Participants should consult with their own tax, financial and legal advisors with respect to their participation in the Plan.

11.11 Successors. Except as otherwise expressly provided in the Plan, all obligations of an Employer under the Plan are binding on any successor to the Employer whether the successor is the result of a direct or indirect purchase, merger, consolidation or otherwise of all of the business and/or assets of the Employer.

11.12 Indemnification. To the extent provided for in the Company bylaws or similar governing document, the Company shall indemnify and hold harmless each member of the Board, each member of the Benefits Committee, each member of the Administrative Committee, and each officer and employee of the Company or an Affiliate to whom are delegated duties, responsibilities, and authority with respect to this Plan against all claims, liabilities, fines and penalties, and all expenses reasonably incurred by or imposed upon him or her (including but not limited to reasonable attorney fees) which arise as a result of his or her actions or failure to act in connection with the operation and administration of this Plan to the extent lawfully allowable and to the extent that such claim, liability, fine, penalty, or expense is not paid for by liability insurance purchased or paid for by the Company or an Affiliate. Notwithstanding the foregoing, the Company shall not indemnify any person for any such amount incurred through any settlement or compromise of any action unless the Company consents in writing to such settlement or compromise.

11.13 Headings. Headings and subheadings in this Plan are inserted for convenience of reference only and are not to be considered in the construction of the provisions hereof.

11.14 Construction of Provisions. If any misunderstanding or ambiguity arises concerning the meaning of any of the provisions of the Plan, the Administrative Committee has the sole right to construe such provisions. The Administrative Committee's decision is final. All pronouns and any variations thereof shall be deemed to refer to the masculine, feminine, or neuter, as the identity of the person or persons may require. As the context may require, the singular may be read as the plural and the plural as the singular. Any reference in this Plan to a statute or regulation shall be considered also to mean and refer to any subsequent amendment or replacement of that statute or regulation. The term "spouse", as

used in this Plan, shall mean the person to whom the Participant is married at the relevant time which marriage is effective under the laws of the state in which the marriage was contracted, including a person legally separated but not under a decree of absolute divorce.

11.15 Governing Law. This Plan shall be subject to and construed in accordance with the laws of the State of Oklahoma to the extent not preempted by federal law.

IN WITNESS WHEREOF, the Benefits Committee has caused this amendment and restatement of the Plan to be executed by its duly authorized representative this 27th day of January, 2015.

By: /s/J. Kevin Vann
J. Kevin Vann
Benefits Committee Member

By: /s/Alan Harrison
Alan Harrison
Benefits Committee Member

By: /s/Charla Isbell
Charla Isbell
Benefits Committee Member

Exhibit 10.42

FIRST AMENDMENT TO THE
WPX ENERGY NONQUALIFIED RESTORATION PLAN

WHEREAS, WPX Energy, Inc. (the "Company") has entered into that certain Agreement and Plan of Merger with Devon Energy Corporation and East Merger Sub, Inc., pursuant to which the Company will become a wholly-owned subsidiary of Devon Energy Corporation (the "Merger"); and

WHEREAS, the Company's Compensation Committee has authorized and directed the officers of the Company and of WPX Energy Services Company, LLC ("Services"), as applicable, to prepare and execute amendments to the employee benefit plans and programs maintained by the Company and Services confirming that consummation of the Merger does not modify the eligibility and participation provisions of such plans and programs; and

WHEREAS, Services maintains the WPX Energy Nonqualified Restoration Plan, as amended and restated effective January 1, 2015 (the "Plan"); and

WHEREAS, Services now desires to amend the Plan in accordance with the authorization and direction provided by the Company's Compensation Committee.

NOW, THEREFORE, in consideration of the premises, the Plan is hereby amended in the following respects, effective as of immediately prior to consummation of the Merger:

1. All provisions of the Plan relating to eligibility and participation, including but not limited to the Plan-defined terms of Affiliate, Company, Eligible Employee, Employer, and Participant, to the extent applicable, shall be interpreted and applied (and, if necessary, are modified) to provide that an individual who is not an employee of Services shall not become eligible to participate in the Plan as a result of the Merger.

2. All other Plan terms and conditions of eligibility and participation shall continue to apply with respect to the Plan; provided, however, this First Amendment shall not in any way modify or reduce the benefits provided under the Plan for individuals who are eligible to participate in the Plan.

3. This amendment does not preclude future amendments to the terms of the Plan including, but not limited to, any future amendments to its eligibility or participation terms, requirements, and limitations.

4. Except as modified herein, the Plan shall remain in full force and effect.

[Signature on following page.]

IN WITNESS WHEREOF, WPX Energy Services Company, LLC has caused this First Amendment to the Plan to be executed this 4th day of January, 2021, effective as hereinbefore provided.

WPX Energy Services Company, LLC

By: /s/Angela Kouplen

Name: Angela Kouplen

Title: Senior Vice President of Administration and Chief Information Officer

Exhibit 10.43

SECOND AMENDMENT TO THE
WPX ENERGY NONQUALIFIED RESTORATION PLAN

WHEREAS, WPX Energy Services Company, LLC which is wholly owned by WPX Energy, Inc., maintains the WPX Energy Nonqualified Restoration Plan, as amended and restated effective January 1, 2015 (the "Plan") and as subsequently amended; and

WHEREAS, WPX Energy, Inc. has become a wholly owned subsidiary of Devon Energy Corporation as a result of the merger transaction that was consummated on January 7, 2021 (the "Merger"); and

WHEREAS, Devon Energy Production Company, L.P. has become the successor employer of those individuals previously employed by WPX Energy Services Company, LLC who remain employed following the Merger; and

WHEREAS, WPX Energy Services Company, LLC, Devon Energy Corporation and Devon Energy Production Company, L.P. desire to amend the Plan to reflect Devon Energy Corporation's assumption of sponsorship of the Plan, the Devon entities' assumption of liabilities under the Plan, and the transition of governance and amendment responsibility resulting from the Merger.

NOW, THEREFORE, in consideration of the premises, the Plan is hereby amended in the following respects, effective as of the date this Second Amendment is executed by WPX Energy Services Company, LLC, Devon Energy Corporation and Devon Energy Production Company, L.P.:

1. Sections 1.3, 1.4, 1.5 1.6, and 1.7 are added to the Plan as follows:

1.3 Assumption of Sponsorship. Subject to Section 1.7 hereof, Devon hereby assumes sponsorship of the Plan as successor to the Company.

1.4 Assumption of Liabilities. Subject to Section 1.7 hereof, Devon and DEPCO hereby assume joint and several liability for all obligations under the Plan, including the payment of benefits and expenses thereunder. All provisions of the Plan referring to the Employer's obligation to pay benefits and all provisions of the Plan that are protective or exculpatory with respect to the Employer shall be construed to refer to Devon and DEPCO.

1.5 Assumption of Authority. The Committee hereby assumes all authority for the administration of the Plan and for purposes of adopting amendments to the Plan. The Administrative Committee and the Benefits Committee shall have no prospective authority or responsibility with respect to the Plan.

1.6 Status of Plan. Notwithstanding any contrary provision of the Plan, the Plan is a frozen plan. There shall be no Contribution Credits allocated to the Account of any Participant with respect to the 2021 Plan Year or any subsequent Plan Year.

1.7 Effective Date of Assumption of Plan Sponsorship and Liabilities. Notwithstanding any other provision of the Plan to the contrary, the effective date of Devon's and DEPCO's assumption of the Plan's sponsorship and liabilities shall occur upon the later of the effective date of the Second Amendment to the Plan or such date that Devon or DEPCO become the "grantor" of the WPX Energy Nonqualified Plans Master Trust.

2. Section 2.24 is amended and restated as follows:

2.24 **"Qualified Plan"** shall mean, as the context may require, the WPX Energy Savings Plan, as amended, as in effect before its merger into the Devon Energy Corporation Incentive Savings Plan on July 1, 2021 or the Devon Energy Corporation Incentive Savings Plan, as amended, as in effect following the merger.

3. Sections 2.28, 2.29, and 2.30 are added to the Plan as follows:

2.28 **"Committee"** shall mean the Compensation Committee of the Board of Directors of Devon or a committee established by the Compensation Committee of the Board of Directors of Devon that has been delegated duties related to the Plan.

2.29 **"DEPCO"** shall mean Devon Energy Production Company, L.P.

2.30 **"Devon"** shall mean Devon Energy Corporation.

4. Sections 5.1 and 5.2 are amended and restated as follows:

5.1 **Participant Designation.** Each Participant shall designate, in accordance with any procedures, restrictions and conditions established by the Committee, the manner in which the amounts credited to the Participant's Account shall be deemed to be invested for purposes of determining the amount of earnings and losses to be credited to such Account. For this purpose, a Participant may specify that all or any percentage of his or her Account shall be deemed to be invested, in such percentage increments as the Committee may prescribe, in one or more of the Funds that have been designated as alternative investments under the Plan pursuant to Section 5.2. A Participant's designation shall remain in effect until a new designation is made in the manner required by the Committee, subject to the termination and/or replacement of a Fund as an available investment option and further subject to any timing restrictions imposed by the Committee. If a Participant fails to provide a designation in the manner required by the Committee, the Participant's Account shall be deemed to be invested in a default Fund designated by the Committee from time to time for such purpose.

5.2 **Investment Funds.** The Committee shall specify the investment options that will constitute the Funds and may change the available investment options from time to time. The Committee and any employee of Devon or its Affiliates and any other individual or entity currently or previously designated to act on behalf of the Company for the purpose of selecting the Funds, as well as the Administrative Committee and the Benefits Committee, make no promise or guarantee regarding the performance of any Fund and shall have no liability to any Participant, Beneficiary or any other individual or entity with respect to the selection of the Funds or any decrease (or lack of increase) in a Participant's or Beneficiary's Account as a result of the performance or lack thereof of: (i) the Funds selected by the Participant; or (ii) the default Fund applicable to amounts for which a Participant or Beneficiary has failed to provide an investment designation in the manner required by the Committee. A Participant or Beneficiary assumes all risk associated with his or her investment designation or failure to provide an investment designation, as well as all risk associated with the unsecured nature of the Plan as described in Section 11.1.

5. Section 8.3 is added to the Plan as follows:

8.3 Allocation to Committee.

(a) All administrative authority and responsibility allocated to the Administrative Committee under the Plan is allocated to the Committee and all references in the Plan assigning any administrative authority or responsibility to the Administrative Committee are amended to refer to the Committee. The Administrative Committee shall have no prospective authority or responsibility with respect to the Plan.

(b) All amendment authority and responsibility allocated to the Benefits Committee under the Plan is allocated to the Committee and all references in the Plan assigning amendment authority or responsibility to the Benefits Committee are amended to refer to the Committee. The Benefits Committee shall have no prospective authority or responsibility with respect to the Plan.

(c) All amendment and termination authority and responsibility allocated to the Compensation Committee under the Plan is allocated to the Committee and all references in the Plan assigning amendment and termination authority or responsibility to the Compensation Committee are amended to refer to the Committee. The Compensation Committee shall have no prospective authority or responsibility with respect to the Plan.

(d) The Plan shall be administered, construed and interpreted by the Committee. The Committee shall have the sole authority and discretion to determine eligibility and to construe the terms of the Plan. The determinations by the Committee as to any disputed questions arising under the Plan shall be final, conclusive and binding upon all persons including Participants, their Beneficiaries, Devon, its stockholders and employees, its Affiliates, and WPX Energy Services Company, LLC. The Committee may, in its sole discretion, delegate its authority hereunder, including, but not limited to, delegating authority to modify, amend, administer, interpret, construe or vary the Plan, to the extent permitted by applicable law or administrative or regulatory rule, and, to the extent the Committee delegates is authority, applicable references in the Plan to the Committee also shall mean the Committee's delegate.

(e) The members of the Committee and its agents shall be indemnified and held harmless by Devon against and from any and all loss, cost, liability or expense that may be imposed upon or reasonably incurred by them in connection with or resulting from any claim, action, suit or proceeding to which they may be a party or in which they may be involved by reason of any action taken or failure to act under this Plan and against and from any and all amounts paid by them in settlement (with Devon's written approval) or paid by them in satisfaction of a judgment in any such action, suit or proceeding. The foregoing provisions shall not be applicable to any person if the loss, cost, liability or expense is due to such person's gross negligence or willful misconduct.

6. Section 10.1 of the Plan document is amended and restated as follows:

10.1 Amendments.

(a) Right to Amend. The Committee shall have the right at any time and from time to time, and retroactively if deemed necessary or appropriate, to modify or amend in

whole or in part any or all of the provisions of the Plan. Any amendment or modification to the Plan shall be effective at such date as the Committee may determine.

(b) Effect of Amendment. The right to amend described in Section 10.1(a) may be exercised at any time, without the consent of any Participant or Beneficiary; provided, however, that no amendment shall divest any Participant or Beneficiary of rights to which he or she would have been entitled if the Plan had been terminated on the effective date of such amendment except: (i) to the extent that a termination of the Plan pursuant to Section 10.2 would result in an accelerated distribution of the Participant's benefits under the Plan; and (ii) to the extent necessary to comply with any applicable law, rule or regulation, including, but not limited to, Code Section 409A. Notwithstanding the foregoing, the Plan and any payment hereunder may be amended unilaterally by the Committee, subject to the restrictions described in Section 10.1(a), at any time to make such changes as may be required to comply with Section 409A.

7. In Section 10.2 (regarding termination of the Plan), the references to the Compensation Committee are amended to refer to the Committee.

8. In Section 10.2(c), the references to the Company are amended to refer to Devon Energy Corporation and the references to Affiliates are amended to refer to all persons with whom Devon Energy Company would be considered a single employer under Sections 414(b) and 414(c) of the Code.

9. The following is added as a second paragraph of Section 11.1:

The Plan shall continue to be considered entirely unfunded both for tax purposes and for purposes of Title I of ERISA and no provision shall at any time be made with respect to segregating assets of Devon or DEPCO for payment of any amounts under the Plan. No Participant or any other person shall have any interest in any particular assets of Devon or DEPCO by reason of the right to receive a benefit under the Plan and Devon and DEPCO's assumption of liabilities hereunder. To the extent the Participant or any other person acquires a right to receive benefits under the Plan, the Participant or such other person shall have the status of a general unsecured creditor of Devon and DEPCO. Devon and DEPCO's assumption of liabilities hereunder constitutes a mere unsecured, unfunded promise by Devon and DEPCO for the payment of benefits payable under the Plan to the Participants in the future. Nothing contained in the Plan shall constitute a guaranty by Devon or DEPCO or any other person or entity that any funds in any trust or the assets of Devon or DEPCO will be sufficient to pay any benefit under the Plan. No Participant shall have any right to a benefit under the Plan except in accordance with the terms of the Plan.

10. The following is added as Section 11.3(d):

(d) Impact of Devon and DEPCO Assumption. Any trust established pursuant to this Section 11.3 shall require that, in the event of the insolvency of Devon or DEPCO, the assets of such trust shall be subject to the claims of Devon's or DEPCO's creditors, as applicable. Devon's and DEPCO's obligations under the Plan may be satisfied with Trust assets distributed pursuant to the terms of the Trust, and any such distribution shall reduce Devon's and DEPCO's obligations under the Plan.

11. The following is added as a second paragraph of Section 11.12:

Subject to Section 1.7, Devon and DEPCO hereby assume joint and several liability for all indemnification obligations arising under this Section 11.12 with respect to actions or failures to

act prior to the execution date of the Second Amendment to the Plan. This Section 11.12 shall not apply to actions or failures to act on or after the execution date of the Second Amendment to the Plan, and all indemnification obligations with respect to such actions or failures to act shall be governed by Section 8.3(e).

12. Except as modified herein, the Plan shall remain in full force and effect.

13. This Second Amendment may be executed in multiple counterparts, each of which taken together will constitute one and the same instrument.

[Signatures on following page.]

IN WITNESS WHEREOF, WPX Energy Services Company, LLC, Devon Energy Corporation and Devon Energy Production Company, L.P. have caused this Second Amendment to the Plan to be executed this 15th day of December, 2021.

WPX Energy Services Company, LLC

By: /s/Jeffrey L. Ritenour

Name: Jeffrey L. Ritenour

Title: Executive Vice President

Devon Energy Corporation

By: /s/Tana K. Cashion

Name: Tana K. Cashion

Title: Senior Vice President Human Resources and Administration

Devon Energy Production Company, L.P.

By: /s/Tana K. Cashion

Name: Tana K. Cashion

Title: Senior Vice President

Exhibit 21

DEVON ENERGY CORPORATION

List of Subsidiaries[1] as of December 31, 2021

1. Devon Energy Corporation (Oklahoma), an Oklahoma corporation
2. Devon OEI Holdings, L.L.C., a Delaware limited liability company
3. Devon OEI Operating, L.L.C., a Delaware limited liability company
4. Devon Energy Production Company, L.P., an Oklahoma limited partnership
5. Devon Financing Company, L.L.C., a Delaware limited liability company
6. Devon Gas Co., L.L.C., a Delaware limited liability company
7. WPX Energy, Inc. a Delaware corporation
8. WPX Energy Williston, LLC a Delaware limited liability company
9. WPX Energy Permian, LLC a Delaware limited liability company
10. Devon Energy International, L.L.C., a Delaware limited liability company
11. Devon Gas Services, L.P., a Texas limited partnership
12. Devon Headquarters, L.L.C., an Oklahoma limited liability company
13. Bleu Falcon Holdings, Inc., a Delaware corporation

[1] The names of certain subsidiaries have been omitted since, considered in the aggregate as a single subsidiary, they would not constitute a significant subsidiary as of the end of the year covered by this report, as defined under Securities and Exchange Commission Regulation S-X, Rule 1-02(w).

Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

The Board of Directors
Devon Energy Corporation:

We consent to the incorporation by reference in the registration statements (File Nos. 333-68694, 333-47672, 333-44702, 333-104922, 333-104933, 333-103679, 333-127630, 333-159796, 333-182198, 333-204666, 333-218561, 333-249859 and 333-260962) on Form S-8 and in the registration statement (File No. 333-236951) on Form S-3 of our report dated February 16, 2022, with respect to the consolidated financial statements of Devon Energy Corporation and the effectiveness of internal control over financial reporting.

/s/ KPMG LLP

Oklahoma City, Oklahoma
February 16, 2022

Exhibit 23.2

ENGINEER'S CONSENT

We consent to the incorporation by reference in the registration statements (File Nos. 333-68694, 333-47672, 333-44702, 333-104922, 333-104933, 333-103679, 333-127630, 333-159796, 333-182198, 333-204666, 333-218561, 333-249859 and 333-260962) on Form S-8 and the registration statement (File No. 333-236951) on Form S-3 of Devon Energy Corporation (the "Company") of our report for the Company and the references to our firm and said report, in the context in which they appear, in this Annual Report on Form 10-K of the Company for the year ended December 31, 2021 (this "Form 10-K"), which report is included as an exhibit to this Form 10-K.

LaRoche Petroleum Consultants, Ltd.
By: LPC, Inc., as General Partner

By: /s/ William M. Kazmann
William M. Kazmann
President

February 16, 2022

Exhibit 31.1

CERTIFICATION PURSUANT TO
RULE 13a-14(a)/15d-14(a),
AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Richard E. Muncrief, certify that:

1. I have reviewed this annual report on Form 10-K of Devon Energy 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 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 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 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 16, 2022

/s/ Richard E. Muncrief
Richard E. Muncrief
President and Chief Executive Officer

Exhibit 31.2

CERTIFICATION PURSUANT TO
RULE 13a-14(a)/15d-14(a),
AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Jeffrey L. Ritenour, certify that:

1. I have reviewed this annual report on Form 10-K of Devon Energy 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 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 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 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 16, 2022

/s/ Jeffrey L. Ritenour
Jeffrey L. Ritenour
Executive Vice President and Chief Financial Officer

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Report of Devon Energy Corporation ("Devon") on Form 10-K for the period ended December 31, 2021 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Richard E. Muncrief, President and Chief Executive Officer of Devon, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(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 Devon.

/s/ Richard E. Muncrief
Richard E. Muncrief
President and Chief Executive Officer
February 16, 2022

Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Report of Devon Energy Corporation ("Devon") on Form 10-K for the period ended December 31, 2021 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Jeffrey L. Ritenour, Executive Vice President and Chief Financial Officer of Devon, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(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 Devon.

/s/ Jeffrey L. Ritenour
Jeffrey L. Ritenour
Executive Vice President and Chief Financial Officer
February 16, 2022

Exhibit 99

February 4, 2022

Mr. Ryan Dillman
Manager of Reserves and Economics
Devon Energy Corporation
333 West Sheridan Avenue
Oklahoma City, OK 73102

Dear Mr. Dillman:

At your request, LaRoche Petroleum Consultants, Ltd. (LPC) has audited the estimates of proved reserves and future net cash flow, as of December 31, 2021, to the Devon Energy Corporation (Devon) interest in certain properties located in Devon's US Division in the United States as prepared and completed by Devon on January 18, 2022. The reserve estimates were prepared by Devon for public disclosure according to the United States Security and Exchange Commission (SEC) guidelines, and our audit is to confirm the accuracy of those estimates and classifications within the applicable SEC rules, regulations, and guidelines. It should be understood that our audit described herein does not constitute a complete reserve study of the oil and gas properties of Devon. It is our understanding that the properties audited by LPC comprise approximately eighty-eight percent (88%) of Devon's aggregate proved reserves for the US Division as estimated and reported by Devon. We prepared our own estimates of proved reserves and net cash flow for all of the properties audited and compared our estimates to those prepared by Devon to complete our audit of such properties. We believe the assumptions, data, methods, and procedures used are appropriate for the purpose of this audit. Estimates by Devon and LPC are based on constant prices and costs as set forth in this letter and conform to our understanding of the SEC guidelines, reserves definitions, and applicable accounting rules.

It is our understanding that the properties audited by LPC and reflected in this audit report comprise approximately eighty-eight percent (88%) of Devon's aggregate, corporate proved reserves as estimated and reported by Devon.

The US Division reserves are for the field areas designated by Devon's internal naming system. These areas include:

Delaware North Region
Field Groups: Cotton Draw Area, Potato Basin, Rattlesnake, TGR, Todd

Delaware South Region
Field Groups: Monument Draw Basin, Sand Lake, Stateline/Other Basin

Powder River Basin Region
Field Groups: NPRB, PRB CBM House Creek, SPRB

STACK Region
Field Groups: Meramec Nonop, Meramec Op, Sheetrock, Woodford Nonop, Woodford Op

Williston Basin Region
Field Groups: Mandaree, Van Hook

The oil reserves include crude oil and condensate. Oil and natural gas liquid (NGL) reserves are expressed in barrels which are equivalent to 42 United States gallons. Gas volumes are expressed in thousands of standard cubic feet (Mcf) at the contract temperature and pressure bases.

The estimated reserves and future cash flow are for proved developed producing, proved developed non-producing, and proved undeveloped reserves. Devon's estimates do not include any value for unproven reserves classified as probable or possible reserves that might exist for these properties, nor do they include any consideration that could be attributed to interests in undeveloped acreage beyond those tracts for which reserves have been estimated.

When compared on a field-by-field basis, some estimates determined by Devon are greater and some are less than the estimates determined by LPC. However, in our opinion, Devon's estimates of proved oil and gas reserves and future cash flow, as audited by LPC, are in the aggregate reasonable, are within ten (10) percent of our estimates, and have been prepared in accordance with generally accepted petroleum engineering and evaluation methods and procedures. These methods and procedures are set forth in the Standards Pertaining to the Estimating and Auditing of Oil and Gas Reserve Information promulgated by the Society of Petroleum Engineers. We are satisfied with the methods and procedures used by Devon in preparing the December 31, 2021 reserve and future cash flow estimates. We saw nothing of an unusual nature that would cause us to take exception with the estimates, in the aggregate, as prepared by Devon.

The estimated reserves and future cash flow amounts in this audit of the Devon report are related to hydrocarbon prices. The price calculation methodology specified by the SEC regulations was used in the preparation of those estimates; however, actual future prices may vary significantly from the SEC-specified pricing. In addition, future changes in taxation affecting oil and gas producing companies and their products and changes in environmental and administrative regulations may significantly affect the ability of Devon to operate and produce oil and gas at the projected levels. Therefore, volumes of reserves actually recovered and amounts of cash flow actually received may differ significantly from the estimated quantities presented in this audit.

Estimates of reserves for this audit were prepared using standard geological and engineering methods generally accepted by the petroleum industry. The reserves in this audit have been estimated using deterministic methods. The method or combination of methods utilized in the evaluation of each reservoir included consideration of the stage of development of the reservoir, quality and completeness of basic data, and production history. Recovery from various reservoirs and leases was estimated after consideration of the type of energy inherent in the reservoirs, the structural positions of the properties, and reservoir and well performance. In some instances, comparisons were made to similar properties where more complete data were available. We have used all methods and procedures that we considered necessary under the circumstances to prepare this audit. We have excluded from our consideration all matters as to which the controlling interpretation may be legal or accounting rather than engineering or geosciences.

Benchmark prices used in this audit are based on the twelve-month, unweighted arithmetic average of the first day of the month price for the period January through December 2021. Oil prices used by Devon are based on a Cushing West Texas Intermediate crude oil price of $66.56 per barrel, as published in Platts Oilgram, adjusted by lease for gravity, crude quality, transportation fees, and regional price differentials. Gas prices are based on a Henry Hub gas price of $3.60 per MMBtu, as published in Platts Gas Daily, adjusted by lease for energy content, transportation fees, and regional price differentials. NGL prices are based on a Mt. Belvieu composite product price of $33.84 per barrel, as published in the OPIS daily price bulletin, adjusted by area for composition, quality, transportation fees, and regional price differentials. Price differentials and adjustments to physical spot prices as of December 2021 were furnished by Devon and were accepted as presented. Oil and gas prices are held constant throughout the life of the properties. The weighted average prices over the life of the properties audited are $64.13 per barrel for oil, $3.05 per Mcf for gas, and $27.68 per barrel for NGL.

Lease and well operating expenses were furnished by Devon and were confirmed by LPC from a review of Devon accounting data on a Region or Division basis. As requested, expenses for the Devon-operated

properties include only direct lease and field level costs. For properties operated by others, these expenses include the per-well overhead costs allowed under joint operating agreements along with direct lease and field level costs. Headquarters general and administrative overhead expenses of Devon are not included. Operating expenses are held constant throughout the life of the properties.

Capital costs and timing of all investments have been provided by Devon and are included as required for workovers, new development wells, and production equipment. Devon has represented to us that they have the ability and intent to implement their capital expenditure program as scheduled. Devon's estimates of the cost to plug and abandon the wells net of salvage value are included and scheduled at the end of the economic life of individual properties. These costs are held constant.

LPC has made no investigation of possible gas volume and value imbalances that may have been the result of overdelivery or underdelivery to the Devon interest. Our projections are based on Devon receiving its net revenue interest share of estimated future gross oil, gas, and NGL production.

An on-site inspection of the properties has not been performed nor has the mechanical operation or condition of the wells and their related facilities been examined by LPC. The costs associated with the continued operation of uneconomic properties are not reflected in the cash flows.

The evaluation of potential environmental liability from the operation and abandonment of the properties is beyond the scope of this audit. In addition, no evaluation was made to determine the degree of operator compliance with current environmental rules, regulations, and reporting requirements. Therefore, no estimate of the potential economic liability, if any, from environmental concerns is included in our projections.

In our audit, we accepted without independent verification the accuracy and completeness of the information and data furnished by Devon with respect to ownership interest, oil and gas production, well test data, oil and gas prices, operating and development costs, and any agreements relating to current and future operations of the properties and sales of production. However, if in the course of our examination something came to our attention which brought into question the validity or sufficiency of any such information or data, we did not rely on such information or data until we had satisfactorily resolved our questions relating thereto or had independently verified such information or data.

The reserves estimated in our audit process and those presented by Devon are estimates only and should not be construed as exact quantities. They may or may not be recovered; if recovered, the revenues therefrom and the costs related thereto could be more or less than the estimated amounts. These estimates should be accepted with the understanding that future development, production history, changes in regulations, product prices, and operating expenses would probably cause us to make revisions in subsequent evaluations. A portion of these reserves are for behind-pipe zones, undeveloped locations, and producing wells that lack sufficient production history to utilize performance-related reserve estimates. Therefore, these reserves are based on estimates of reservoir volumes and recovery efficiencies along with analogies to similar production. These reserve estimates are subject to a greater degree of uncertainty than those based on substantial production and pressure data. It may be necessary to revise these estimates up or down in the future as additional performance data become available. As in all aspects of oil and gas evaluation, there are uncertainties inherent in the interpretation of engineering and geological data; therefore, our conclusions represent informed professional judgments only, not statements of fact.

The results of our third-party study were prepared in accordance with the disclosure requirements set forth in the SEC regulations and intended for public disclosure as an exhibit in filings made with the SEC by Devon Energy Corporation.

Devon Energy Corporation makes periodic filings on Form 10-K with the SEC under the 1934 Securities Exchange Act. Furthermore, Devon Energy Corporation 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 Devon Energy Corporation of the references to our name together with references to our third-party audit for Devon Energy Corporation, which appears in the December 31, 2021 annual report on Form 10-K and/or 10-K/A of Devon Energy Corporation. Our written consent for such use is included as a separate exhibit to the filings made with the SEC by Devon Energy Corporation.

We have provided Devon Energy Corporation with a digital version of the original signed copy of this audit letter. In the event there are any differences between the digital version included in filings made by Devon Energy Corporation and the original signed audit letter, the original signed audit letter shall control and supersede the digital version.

LPC's technical personnel responsible for preparing this audit meet the requirements regarding qualifications, independence, objectivity, and confidentiality set forth in the Standards Pertaining to the Estimating and Auditing of Oil and Gas Reserve Information promulgated by the Society of Petroleum Engineers. The technical person primarily responsible for overseeing the preparation of the LPC audit is William M. Kazmann. Mr. Kazmann is a Professional Engineer licensed in the State of Texas who has 47 years of engineering experience in the oil and gas industry. He has prepared and overseen preparation of reports for public filings for LPC for the past 26 years. We are independent petroleum engineers, geologists, and geophysicists and are not employed on a contingent basis. Data pertinent to the audit are maintained on file in our office.

Very truly yours,

LaRoche Petroleum Consultants, Ltd.
State of Texas Registration Number F-1360
By LPC, Inc. General Partner

/s/ William M. Kazmann

William M. Kazmann, President
William M. Kazmann, President
State of Texas No. 45012

/s/ Joe A. Young

Joe A. Young, Vice President
Licensed Professional Engineer
State of Texas No. 62866

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