
Summary Plan Description
Devon Energy Corporation Incentive Savings Plan

This document constitutes part of a prospectus covering securities that have been registered under the Securities Act of 1933.

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ABOUT THE PLAN

Devon Energy Corporation (referred to as the "**Company**" or "**Devon**") sponsors the **Devon Energy Corporation Incentive Savings Plan** (referred to simply as the "**Plan**") for its eligible employees.

The Plan is a 401(k) plan that allows you to contribute a portion of your salary to the Plan on a "pre-tax" basis or a Roth after-tax (referred to as "**Roth**") basis. In addition to the contributions that you can make to the Plan, Devon also makes certain contributions to the Plan on your behalf. All of the contributions made to the Plan by you and by Devon on your behalf will be held in your account under the Plan (and will accrue investment earnings or losses) until your account is distributed to you.

As required by law, Devon has established a separate trust fund to hold Plan assets. The trust fund is administered by the "**Trustee**," which is Fidelity Management Trust Company. All benefits under the Plan are paid from the trust fund. Devon cannot and does not pay Plan benefits and does not guarantee that it will make contributions to the Plan.

If you believe you are entitled to a benefit that you have not received or if you disagree with any determination made by the Benefits Committee regarding your benefit (such as the amount of your benefit or how it is calculated), you may submit a claim for benefits under the Plan. However, the time period for submitting a claim for benefits is limited. If you fail to make a timely claim for benefits or you fail to timely appeal a claim, you may lose your right to those benefits. For important information regarding the process for submitting a claim for benefits and the deadlines of submitting such a claim, see the "Claims Procedure" section of this summary plan description.

General information about the Plan can be found in the section titled "General Information" located at the back of this summary.

ABOUT THIS SUMMARY

This is a summary plan description as defined by the Employee Retirement Income Security Act of 1974, as amended (referred to as "**ERISA**"). It is meant to highlight the most important provisions of the Plan, effective as of the date on the front cover, in non-legal language. It does not describe all Plan provisions and may not cover provisions that only apply to a small number of participants. This summary is prepared for employees of Devon and its affiliates. The Plan is subject to, and this summary plan description is provided in accordance with, ERISA.

This summary plan description constitutes a portion of the Plan's "Prospectus," which is contained in a separate prospectus document. The Plan's Prospectus (including the Company's filings with, and disclosures to, the Securities Exchange Commission) specifically are not incorporated into and are not part of this summary plan description.

Benefits can only be provided in accordance with the terms of the Plan, and this summary is neither the Plan nor a substitute for the Plan. **If there is any conflict between the provisions of this summary and the Plan, the Plan provisions will be followed. No one can orally change the terms of the Plan.**

HOW THE PLAN IS RUN

The Benefits Committee

The Benefits Committee is responsible for administering the Plan and carrying out the Plan provisions. The Benefits Committee consists of several individuals who are appointed by the Compensation Committee of Devon's Board of Directors (referred to as the "**Board**").

Powers of the Benefits Committee

The Benefits Committee has the sole power and discretionary authority to resolve all questions of eligibility and to interpret the Plan's provisions, to make the final determination with respect to the amount, manner, and time of payment of benefits to be paid to participants, their spouses, and their beneficiaries, and to determine the facts relating to a claim for benefits. The Benefits Committee also may establish any rules it decides are necessary to carry out the Plan's operations. Decisions of the Benefits Committee or its delegates are final and binding. The Benefits Committee can name others to help run the Plan, or change those named, at any time.

Toll-Free Customer Service & Internet Access

To conveniently manage your Plan accounts, Fidelity Investments (referred to as "**Fidelity**"), the Plan recordkeeper, offers both online and telephone access to your account. To access your account online, visit www.401k.com and enter your username and password. When you first access the Fidelity website, you will use your Social Security Number as your username and a temporary password that will be assigned to you. You then will be prompted to establish a permanent username that is different from your Social Security Number and a personalized password that will be used in the future. Telephone access to your account is available through Fidelity's toll-free customer service telephone line at (800) 890-4015, virtually 24 hours a day, seven days a week. Fidelity customer service representatives are available from 8:30 a.m. to 8:00 p.m. in your time zone on any business day.

You may use Fidelity's website for up-to-date information about your investment options, account balances, and current fund prices and performance. You also may use the website to initiate transactions such as changing your investment options, transferring money among options, modeling or requesting a loan, designating or changing your beneficiaries, and making an in-service withdrawal or a final distribution. Almost all of the same services are available through Fidelity's customer service telephone line.

WHO IS ELIGIBLE

All regular U.S. employees of Devon and its participating subsidiaries, in addition to regular U.S. employees of other participating employers, are eligible to participate in the Plan, except for the following groups of employees:

- any individuals classified as leased employees, interns, independent contractors, contract workers, or other individuals who are retained to perform services on a temporary basis or for a specific project of limited duration;
- any individuals employed by a non-U.S. affiliated company whose services are covered by a secondment or similar agreement;

- any individuals covered by a collective bargaining agreement where the issue of retirement benefits has been the subject of bargaining *unless* the collective bargaining agreement provides for coverage under the Plan; and
- certain non-resident aliens with no U.S. income (however, there may be limited exceptions to this general exclusion).

If you have any questions about whether you are eligible to participate in the Plan, or whether your employer is participating in the Plan, you should contact HRConnect toll-free at (855) 810-3555.

ENROLLMENT

Automatic Enrollment

Generally, if you are a newly hired or rehired employee on or after January 1, 2008 and you are eligible to participate in the Plan, you will be *automatically* enrolled in the Plan unless you affirmatively elect otherwise. Specifically, unless you make an affirmative election to contribute or not contribute a portion of your pay to the Plan, you will be treated as if you elected to contribute 3% of your regular pay and, beginning on and after January 1, 2016, 3% of your annual discretionary performance bonus to the Plan on a pre-tax contribution basis. These pre-tax contributions will start being taken from your pay as soon as administratively practicable following your hire or rehire date. Please keep in mind that you always have the right to reduce, increase, or cancel future Plan contributions, or to change the designation of your contributions (to pre-tax or to Roth).

If you are automatically enrolled, contact Fidelity to indicate how you would like your contributions invested and to make your beneficiary selection (see "Naming a Beneficiary" below). (For information on how to contact Fidelity, see the section titled "How the Plan is Run – Toll-Free Customer Service & Internet Access.")

If you make an affirmative election not to participate in the Plan, you may still elect to participate at a later date. To enroll at a later date, you must complete the online enrollment process through Fidelity and indicate:

- the amount you would like to contribute to the Plan on a pre-tax and/or Roth basis;
- whether you want to make contributions to the Plan from your regular pay, your annual discretionary performance bonus or both;
- how you would like your contributions to be invested; and
- your beneficiary selection (see "Naming a Beneficiary" below).

By completing the online enrollment process, you authorize the Company to deduct your contributions from your pay. Payroll deductions will begin as soon as administratively practicable after your enrollment form is submitted and processed by the payroll department. (For information on how to contact Fidelity, see the section titled "How the Plan is Run – Toll-Free Customer Service & Internet Access.")

2016 Reenrollment

Participants in the Plan who were projected to receive less than the maximum matching contribution from the Company during the 2016 plan year were automatically reenrolled in the Plan at an increased contribution rate, unless the affected participant affirmatively elected to not participate in the

reenrollment. The reenrollment applicable to annual discretionary performance bonuses was effective January 14, 2016. The reenrollment applicable to regular pay was effective April 22, 2016. The increased contribution rate for each affected participant was determined by the Benefits Committee or its authorized delegate, and the additional contributions were made on a pre-tax basis, unless the participant had previously elected to make all of his or her contributions as Roth contributions. The Company, in its sole discretion, may implement a similar program for future Plan years. If the Company does so, and you are affected by the program, you will be notified prior to the effective date and will be given the opportunity to opt out.

Naming a Beneficiary

When you enroll in the Plan, you will be asked to designate a beneficiary. Your beneficiary is the person whom you want to receive your Plan benefits if you die. If you are married, your spouse must be your sole primary beneficiary unless you have his or her written notarized consent to name someone else as your beneficiary.

You may designate a beneficiary or change your beneficiary designation online through Fidelity's website. (For information on how to access Fidelity's website, see the section titled "How the Plan is Run – Toll-Free Customer Service & Internet Access.") Please note that your beneficiary designation will not be effective unless it is submitted during your lifetime. If you do not designate a beneficiary or if your beneficiaries predecease you, your surviving spouse, if any, will be deemed to be your beneficiary; otherwise, your estate will be your beneficiary.

Finally, please note that any beneficiary designation made by you under the Plan will become invalid if you are married or remarried after such designation is made and before distribution of your benefit begins. As such, if you marry or remarry, you should check your beneficiary designation and update it if necessary.

YOUR CONTRIBUTIONS

You may contribute up to 50% of your compensation to the Plan. Your contributions can be designated as pre-tax contributions, Roth contributions, or a combination of both. For Plan purposes, the term "**compensation**" generally means your base pay, overtime pay and annual discretionary performance bonuses, and other types of direct pay (such as paid time off and holiday pay, but excluding amounts paid to you after your termination of employment for unused paid time off), but does not include stay payments, Christmas or holiday bonuses, retention bonuses and other non-regular types of pay that you may receive. You may make separate contribution elections with respect to your regular pay (such as your base pay, overtime pay and other types of direct pay) and your annual discretionary performance bonus.

Both pre-tax and Roth contributions go into the Plan through payroll deduction and are credited to an account in your name. However, as described below, there are significant differences, between saving on a pre-tax versus a Roth basis.

Pre-Tax Savings

The Plan allows you to save your own money for retirement on a pre-tax basis—that is, *before* federal and most state and local income taxes are calculated. These are called "**pre-tax contributions**." As a result, the amount of your compensation that is subject to federal income taxes and state taxes is reduced, which means you pay less current income tax. (Note that Social Security and unemployment taxes still apply

and some states may not exempt 401(k) deferrals from state income tax even though the amounts are contributed on a pre-tax basis for federal income tax purposes.)

Your pre-tax contributions and any earnings on such contributions are not taxed as long as they remain in the Plan. This keeps more money in your account and, because interest compounds over time, helps your savings grow faster. This is often referred to as "tax-deferred" growth because taxes are deferred until you withdraw the money from the Plan. In return for the benefit of tax-deferred savings and growth, federal income tax law generally restricts your access to your pre-tax savings before you reach retirement age. (See "Withdrawals While Working" for more information.) In addition, unlike with respect to Roth contributions, your pre-tax contributions and any earnings on such contributions generally will be taxed when they are distributed to you, even if distribution occurs after you reach retirement age, or when you make an in-Plan Roth conversion election. (See "U.S. Federal Income Tax Information" and "State and Local Tax Information" for more information on the taxation of distributions from the Plan and "In-Plan Roth Conversions" for a discussion of Roth conversion elections.)

Roth Savings

The Plan also allows you to save your own money for retirement on a Roth basis—that is, *after* federal and state and local income taxes are calculated. These are called "**Roth contributions.**" As a Roth contribution, the amount of your compensation contributed to the Plan is subject to federal, state and local income taxes, in addition to Social Security and unemployment taxes, when you make the contribution. However, because you already will have paid tax on the Roth contributions, these amounts (along with investment earnings and losses) *will not* be subject to tax when they are distributed to you, provided that the distribution is a "**qualified distribution.**" This means that Roth contributions generally are subject to tax-free growth.

For a distribution to be deemed a qualified distribution, you must be at least age 59½ or disabled or deceased, and your Roth contributions must have been held for a five-year participation period. The "**five-year participation period**" is the five-year period beginning with the calendar year in which you first make a Roth contribution to the Plan and ending on the last day of the calendar year that is five years later. For example, if you make your first Roth contribution to the Plan on July 15, 2015, your five-year participation period will end after December 31, 2020. However, if you made Roth contributions to another 401(k) plan and that amount is part of a direct rollover into the Plan, your participation period for that other 401(k) plan will apply to the Plan. This means that if you first made Roth contributions to the other 401(k) plan on January 10, 2012, and those other Roth contributions are part of a direct rollover into this Plan, your five-year participation period for this Plan will end after December 31, 2017. (See "Rollover Contributions" for more information on direct rollovers into the Plan.)

As with pre-tax contributions, in return for the benefit of not paying tax on the investment returns attributable to Roth contributions, federal income tax law generally restricts your access to your Roth savings before you reach retirement age. (See "Withdrawals While Working" for more information.)

Catch-Up Contributions

If you are age 50 or older (or will attain age 50 prior to the end of the plan year), you may elect to make additional pre-tax contributions and/or Roth contributions to the Plan called "**catch-up contributions.**" Like other pre-tax and Roth contributions, catch-up contributions are deducted from your pay, benefit from tax-deferred savings and growth (pre-tax contributions) or tax-free growth (Roth contributions) under the Plan, and are subject to restrictions on distribution.

How Other Benefits Are Affected

Your pre-tax and Roth contributions will not reduce the compensation used to calculate your other Devon benefits that are based on pay. Your life insurance, accidental death and dismemberment insurance, and business travel accident insurance will be based on your full pay. Likewise, your Social Security benefits will be based on your pay before pre-tax and/or Roth contributions are deducted.

Comparing Pre-Tax and Roth Contributions

The following table illustrates the similarities and differences between pre-tax and Roth contributions. Review these features and consider your personal situation.

Feature	Pre-Tax Contributions	Roth Contributions
Employee contributions:	Made with pre-tax dollars	Made with after-tax dollars
Investment growth:	Taxed when withdrawn from the Plan	No taxes are due*
Contribution limit:	Subject to federal income tax law limits – maximum amount combined with Roth contributions that may be made to the Plan for 2016 is \$18,000, or \$24,000 for employees age 50 or older	Subject to federal income tax law limits – maximum amount combined with pre-tax contributions that may be made to the Plan for 2016 is \$18,000, or \$24,000 for employees age 50 or older
Withdrawals and distributions:	Subject to federal, state and local income taxes (a 10% penalty may apply if an early distribution) Distributions must begin no later than age 70½ (or termination of employment if later)	Not subject to tax* (a 10% penalty may apply if an early distribution) Distributions must begin no later than age 70½ (or termination of employment if later)

*Taxes are not payable if the distribution is deemed to be a "qualified distribution."

Changing or Stopping Your Contributions

You may change the amount of your pre-tax or Roth contributions at any time. To do so, you must simply contact Fidelity. (For information on how to contact Fidelity and access Fidelity's website, see the section titled "How the Plan Is Run – Toll-Free Customer Service & Internet Access.") A change to your contribution election will take effect as soon as administratively practicable after it is received and processed by payroll.

You also may elect to stop your contributions to the Plan at any time by contacting Fidelity. Your contributions will stop as soon as administratively feasible after the change is received and processed by payroll. You may start contributing to the Plan again at any time by contacting Fidelity.

Rollover Contributions

You may roll over all or part of a distribution that you receive from an eligible retirement plan into this Plan and defer taxes on the distribution. An "**eligible retirement plan**" includes a qualified plan under section 401(a) of the Internal Revenue Code of 1986, as amended (referred to as the "**Code**"), a Code section 457 deferred compensation plan that is maintained by a governmental entity, a Code section 403(b) annuity, and, in some instances, an Individual Retirement Account or Annuity (referred to simply as an "**IRA**"). Monies eligible for rollover include pre-tax and Roth employee contributions and employer contributions, if any, as well as any earnings on those amounts. However, Roth employee contributions (and any earnings on those amounts) are only eligible for a rollover if they are part of a *direct* rollover, as described below, and if they are accompanied by a statement from the eligible retirement plan indicating either (i) that the rollover is a "qualified distribution" or (ii) the first year of the five-year participation period and the portion of the rollover that is attributable to basis (i.e., the amount that you have already paid taxes on). After-tax amounts cannot be rolled over into the Plan.

If you choose to make a rollover contribution to this Plan, ***you must do so within 60 days after you receive the funds from the distributing plan.*** Alternatively, you may be able to arrange for a *direct* rollover from the distributing plan, pursuant to which your distribution will be transferred directly from the distributing plan to this Plan. You may be asked to provide evidence that the rollover is from an eligible retirement plan.

As with other contributions to the Plan, any rollover contributions that you make to this Plan will grow either tax-deferred (if attributable to pre-tax contributions) or tax-free (if attributable to Roth contributions) until you withdraw them or you make a Roth conversion election. (See "In-Plan Roth Conversions" for a discussion of Roth conversion elections.)

COMPANY CONTRIBUTIONS

In addition to the pre-tax and Roth contributions that you may make to the Plan, you also may receive Company contributions under the Plan. As described in more detail below, the contributions made by the Company under the Plan include "**matching contributions**" and "company retirement contributions" (also referred to as "**CRCs**"). Company contributions are based on the same definition of compensation as your pre-tax and Roth contributions.

As is the case with your pre-tax contributions, you do not pay federal, state or local income taxes on the amounts of matching contributions and CRCs when they are contributed to the Plan. Instead, these Company contributions, which are contributed to the Plan on your behalf, grow on a tax-deferred basis and you pay taxes on the contributions (and any earnings on them) when you receive a distribution or you make a Roth conversion election. (See "In-Plan Roth Conversion" for a discussion of Roth conversion elections.)

Matching Contributions

If you make pre-tax and/or Roth contributions to the Plan, you will receive a matching contribution from the Company. Matching contributions apply to both pre-tax and Roth contributions. If you make Roth contributions, the matching contributions you receive will still be made on a pre-tax basis. The amount of the matching contribution generally will depend upon the number of years since your "employment commencement date" or, if you terminate employment for any reason and are rehired, your "reemployment commencement date" (each as defined below) determined as of the first day of the plan year (and rounded up if the anniversary of your employment commencement date occurs in the middle of

the year), and the amount of your pre-tax and/or Roth contributions. Your "**employment commencement date**" generally is the date you first performed an hour of service for Devon or another employer that is participating in the Plan or any one of their related companies. Your "**reemployment commencement date**" generally is the date you first performed an hour of service after your termination of employment and your subsequent reemployment by Devon or another employer that is participating in the Plan or any one of their related companies.

The matching contribution rates currently are as follows:

- If it has been **fewer than five years** since your employment commencement date (or reemployment commencement date), the Company's matching contribution will be **100% of the first 3% of your compensation** that you contribute to the Plan as pre-tax and/or Roth contributions.
- If the **fifth calendar year** has begun following your employment commencement date (or reemployment commencement date), the Company's matching contribution will be **100% of the first 6% of your compensation** that you contribute to the Plan as pre-tax and/or Roth contributions. If you are hired later in the year, you may receive this rate sooner than if you are hired earlier in the year. For example, if you are hired on December 1, 2012, you will begin receiving this rate of matching contributions on January 1, 2017
- Regardless of how long you have been employed, if you:
 - (1) were a **participant in the Retirement Plan for Employees of Devon Energy Corporation** (referred to as the "**Pension Plan**") on October 1, 2007;
 - (2) you **elected to continue to accrue benefits** under the Pension Plan; and
 - (3) you **are not eligible to receive CRCs**,

the Company's matching contribution will be **100% of the first 6% of your compensation** that you contribute to the Plan as pre-tax and/or Roth contributions.

Please note that if you have a termination of employment for any reason and are subsequently reemployed by Devon or another employer that is participating in the Plan or any one of their related companies, the Company's matching contribution will be 100% of the first 3% of your compensation that you contribute to the Plan as pre-tax and/or Roth contributions, even though you may have been eligible for a higher rate of matching contributions prior to your termination of employment.

The matching contributions will be made to the Plan at least once each plan year and, in any event, not later than the date the Company files its federal income tax return for the plan year. However, the Company may decide to make its matching contributions more frequently and/or earlier. In recent years, the Company has made its matching contributions each pay period.

While matching contributions generally will be determined on the basis of the contributions that you make each payroll period, the Company may make a "true-up" matching contribution. If it is made, this true-up matching contribution will be calculated on a quarterly basis and may make up for payroll periods in which you were not otherwise eligible to receive a matching contribution. You must be employed on the last day of the applicable quarter in order to be eligible for a true-up matching contribution for that quarter.

By way of example, let's assume that you were eligible to receive a matching contribution equal to 100% of the first 3% of your pay for a particular quarter. Further, let's assume that you did not make any pre-tax contributions during the payroll periods in the first half of the quarter, but then you made pre-tax contributions equal to 6% of your pay for the second half of the quarter. If matching contributions are determined on a payroll period basis and there is no true-up contribution, you only would receive a matching contribution for the quarter equal to 1.5% of your pay in the quarter (i.e., a 3% matching contribution for one-half of the quarter equals 1.5% of your pay in the quarter). However, if the Company makes a true-up contribution for the quarter, you would receive an additional 1.5% matching contribution after the end of the quarter (i.e., a 6% pre-tax contribution for one-half of the quarter equals 3% of your pay for the quarter so the Company would give you a true-up contribution to get your matching contributions up to 3% of your pay for the quarter).

The Company reserves the right to change the rate of its matching contributions at any time in the future. You will be notified if the rate of matching contributions changes.

Company Retirement Contributions ("CRCs")

If you are a "company retirement contribution eligible participant" (generally, a participant who was hired or rehired on or after October 1, 2007 or a participant who was hired or rehired before that date and elected to stop accruing benefits in the Pension Plan), you will receive a CRC regardless of whether you elect to make any pre-tax or Roth contributions to the Plan. The amount of the CRC generally will depend upon your employment commencement date (or reemployment commencement date) and your "years of benefit service" (as defined below), as follows:

- If your employment commencement date (or reemployment commencement date) is **on or after August 1, 2011**, the Company will make a CRC to the Plan on your behalf equal to **8% of your compensation**.
- If your employment commencement date (or reemployment commencement date) is **before August 1, 2011**, or if you are among a group of grandfathered individuals, the Company will make a CRC to the Plan on your behalf equal in an amount that is weighted to recognize your years of benefit service according to the following:

<u>Years of Benefit Service</u>	<u>Contribution Rate as a Percentage of Compensation</u>
0 to 9	8%
10 to 14	12%
15 or more	16%

If the contribution rate changes during a plan year because of an anniversary of your employment commencement date, the higher rate will apply beginning with the first payroll period after the anniversary and will apply for the remainder of the plan year.

Please note that if you terminate employment for any reason and are subsequently reemployed on or after August 1, 2011 by Devon or another employer that is participating in the Plan or any one of their related companies as a company retirement contribution eligible participant, the CRC that the Company will make to the Plan on your behalf will be equal to 8% of your compensation even though you may have

been eligible for a greater contribution rate prior to your termination of employment. In addition, you will no longer be eligible for the 8%, 12% and 16% service-weighted contribution rates set forth in the table above. Participants who are non-highly compensated employees, are at least 21 years of age, and have worked at least 1,000 hours of service in any year may be eligible to receive a special additional CRC. If you have questions about whether you are eligible for this contribution, you may contact HRConnect toll-free at (855) 810-3555.

CRCs will be made to the Plan at least once each plan year and, in any event, not later than the date the Company files its federal income tax return for the plan year. However, the Company may decide to make CRCs more frequently and/or earlier. In recent years, the Company has made the CRCs on a quarterly basis based on compensation earned by the eligible participant during the quarter. You do not need to be employed with the Company or its affiliates on the date that the CRC is made to the Plan, provided that you are otherwise eligible to receive the CRC for the applicable period.

Years of Benefit Service. Your "**years of benefit service**" generally consist of two parts that are added together: (1) your years of benefit accrual service under the Pension Plan (which was frozen as of December 31, 2007) and (2) your years of service determined under the Plan for periods after December 31, 2007. (See the discussion below under "Vesting and Service – Service Under the Plan" for more information on how to determine your years of service under the Plan). However, if you were hired before October 1, 2007 and rehired on or after October 1, 2007 following a "break in service," your years of benefit service will not include any period prior to your date of rehire. (See the discussion below under "Vesting and Service – Breaks in Service" for more information on breaks in service.)

SPECIAL CONTRIBUTIONS FOR VETERANS

If you are absent from employment because of U.S. military service and you have reemployment rights under federal law, you may be entitled to special rights if you return to employment within the periods required by federal law. These special rights include the right to contribute the pre-tax or Roth contributions that you would have been able to contribute had you been regularly employed during the period of your military leave and the right to receive matching and CRCs that you would have received had you been regularly employed during your period of military leave. You should contact HRConnect toll-free at (855) 810-3555 if you are going to be absent for a military leave and you think that these special rules may apply to you.

IN-PLAN ROTH CONVERSIONS

Beginning December 1, 2015, you may make a Roth conversion election to convert all or a portion of your non-Roth account, including any amounts rolled over into the Plan, into Roth by making an election in accordance with the Committee's rules and procedures (an "**in-Plan Roth conversion**"). You may not convert any portion of your account that has not yet vested. (Please see the "Vesting and Service" section below for information about when your contributions are vested.) Amounts that are subject to distribution rights or restrictions will continue to be subject to the same distribution rights or restrictions after the in-Plan Roth conversion. Any amount that you convert will be subject to federal, state and local income taxes in the year of the in-Plan Roth conversion to the extent that the amounts were not previously subject to tax. Amounts that are subject to an in-Plan Roth conversion are treated like Roth contributions to the Plan for purpose of the exemption from tax for qualified distributions. (See "Roth Savings" for more information on the tax treatment of Roth contributions to the Plan.)

LIMITS ON CONTRIBUTIONS

The Code contains certain limits on the contributions that you may make and receive through the Plan.

In the first instance, the Code limits the total amount of pre-tax, Roth and/or catch-up contributions that you may make under all 401(k) plans in which you participate during a calendar year.

- ***Pre-tax and/or Roth Contributions.*** For 2016, the maximum amount of pre-tax and/or Roth contributions that you may make is \$18,000 on a combined basis. The IRS adjusts this limit from time to time based on increases in the cost of living. You will be informed by the Company if your contributions exceed this limit under the Plan (but you are responsible for making sure that you do not exceed the limit if you participate in another employer's 401(k) plan during the same year).
- ***Catch-up Contributions.*** For 2016, the maximum amount of catch-up contributions that an eligible participant may make is \$6,000. The IRS adjusts this limit from time to time based on increases in the cost of living. Remember that catch-up contributions may be made *in addition to* your regular pre-tax and/or Roth contributions. For example, if you are 50 years old in 2016, you generally may contribute a total of \$24,000 to the Plan (\$18,000 in regular pre-tax and/or Roth contributions, plus \$6,000 in catch-up contributions). You should also keep in mind that catch-up contributions can be made as pre-tax contributions, Roth contributions or both.

In addition to these limits on your contributions, the Company is also required to compare the rate of contributions made to the Plan by "highly compensated employees" to the rate of contributions made to the Plan by "non-highly compensated employees." If the rate of contributions made by highly compensated employees exceeds the rate of contributions made by non-highly compensated employees by too much, the Company must return the excess contributions to highly compensated employees.

The Code also limits the amount of compensation that may be taken into account under the Plan to calculate pre-tax, Roth, and Company contributions. For example, if your compensation exceeds this limit, your CRC will be determined using only the compensation you earned up to the limit. The limit for 2016 is \$265,000. The IRS also adjusts this limit from time to time based on increases in the cost of living.

Finally, the Code imposes an overall limit on the amount of all types of contributions (pre-tax, Roth, and Company contributions, but not rollover contributions) that you may receive under the Plan in a particular year. The limit for 2016 is \$53,000, but this limit may be adjusted from time to time by the IRS based on changes in the cost of living.

You will be notified if you are impacted by any of these contribution limits.

VESTING AND SERVICE

Vesting and service are important concepts under the Plan because they determine your right to receive matching contributions and the CRCs that the Company contributes to the Plan on your behalf. Counting service under the Plan can be complicated, particularly if you terminate employment and are later reemployed, or if you are absent from active employment for some reason (for example, during a period of disability or military service). Thus, if you have questions about your service under the Plan, you should contact the Benefits Committee.

Vesting

The term "**vesting**" refers to your ownership interest in your Plan benefits.

- You are always fully vested in any pre-tax, Roth, or rollover contributions that you make to the Plan.
- You will be vested in matching contributions and the CRCs made to the Plan on your behalf based on your years of service (as described below) as follows:

<u>Years of Service</u>	<u>Vested Percentage</u>
Less than 1 year	0%
1 year	25%
2 years	50%
3 years	75%
4 or more years	100%

- You will be fully vested in the matching contributions and CRCs made to the Plan on your behalf if you die, become totally and permanently disabled, or reach age 65 while you are employed by Devon or another participating employer or one of their related employers.
- You also will be fully vested in the matching contributions and CRCs previously made to the Plan on your behalf if there is a "**change of control**" of Devon (as the term "change of control" is defined in the Plan).
- You will always be fully vested in any cash dividends on Devon Common Stock that you are entitled to receive as a result of your investment in the Devon Common Stock Fund. (See the discussion below under "Your Investment Options" for more information on the Devon Common Stock Fund and dividends paid on Devon Common Stock.)

Service Under The Plan

You will be credited with a year of service for each 12-month period of employment with Devon or an affiliated company. In most instances, your service will include service that you may have earned with an employer before it was acquired or merged into Devon, but exceptions may apply. In addition, if you terminate employment and you are reemployed before incurring a "break in service" (as defined below), the period between your termination of employment and your reemployment will be credited to you as service. You also will be credited with service during periods of disability and certain leaves of absence that are authorized under the Company's policies.

Breaks In Service

You will incur a "**break in service**" if you do not perform any work for Devon or an affiliated company during a 12-consecutive-month period following your termination of employment. For purposes of determining whether a break in service has occurred, your termination of employment occurs on the day

you quit, retire, are discharged, or die, or, if earlier, on the first anniversary of the first day of a period during which you stop performing any work for Devon and its affiliated companies. Certain absences (for example, an absence due to pregnancy or the birth/adoption of your child, or a qualified military leave) will not immediately cause you to have a break in service.

If you terminate employment and later are reemployed, the years of service that you earned before your termination of employment will be restored to you if:

- you were fully vested in any portion of your account before you terminated employment; or
- you are reemployed by Devon or an affiliated company before you incur five consecutive one-year breaks in service and you complete at least a year of service after your reemployment.

Any such restored service will be added to any service that you earn after your reemployment.

Service and Transfers

Your service with Devon or an affiliated company while you are not eligible to participate in the Plan will be counted as service for purposes of vesting under the Plan. If you are covered under the Plan and you transfer to a job position that is not covered by the Plan, you will continue to earn service toward vesting in your benefits under the Plan, but you will no longer be eligible to make or receive contributions under the Plan.

Forfeitures

If you terminate employment before you are fully vested, any unvested matching and CRCs made to the Plan on your behalf will be forfeited to the Plan. If you elect a distribution of the vested portion of your account (or if you are deemed to receive a distribution of your account because you are 0% vested) when you terminate employment, the unvested portion of your account will be forfeited immediately. Otherwise, the unvested portion will be forfeited after you have five consecutive breaks in service.

If you are later reemployed before you have incurred five consecutive one-year breaks in service, any forfeited amounts (but no earnings on such amounts) will be restored to you under the Plan. Amounts forfeited to the Plan will be used for Plan expenses and to reduce the amount of future matching and CRCs that the Company makes to the Plan.

YOUR INVESTMENT OPTIONS

Investment Options

The Plan currently offers a series of investment funds that you may invest in, as well as the opportunity to invest in Devon Common Stock. In addition, you can establish a brokerage account through Fidelity, which will allow you to invest in a broad range of Fidelity and non-Fidelity mutual funds not offered within the Plan's menu of investment funds. You must decide how to allocate your contributions among the investment options, in multiples of 1%. Remember that all investment earnings will not be taxed until they are distributed from the Plan or you make a Roth conversion election. (See "In-Plan Roth Conversions" for a discussion of Roth conversion elections.) Moreover, in the case of a qualified distribution from amounts attributable to Roth contributions, your investment earnings will not be subject to taxes even at distribution from the Plan. A description of the Plan's investment funds (including the Devon Common Stock Fund and the brokerage account option) and a chart showing the past performance of the funds are included in the Prospectus. **For the most current information regarding any of these**

investment options (including the investment fund prospectus and a prospectus with respect to any investment alternative available through the brokerage account), please contact Fidelity. (For information on how to contact Fidelity and access Fidelity's website, see the section titled "How the Plan Is Run – Toll-Free Customer Service & Internet Access.")

Devon's Retirement Plans Investment Committee (referred to as the "**Investment Committee**") generally selects the investment options that are made available under the Plan. The Investment Committee may add or eliminate the investment options at any time. You will be notified if and when any changes to the Plan's investment options are made.

Employee Investment Authority

Devon intends this Plan to be an "**ERISA § 404(c) plan**," which means that you have investment authority over your accounts and that Devon is not responsible for any losses that may result from your investment decisions. A broad range of investment options is available to you under the Plan. Your investments in any of the Plan's options are as safe as they would be if you made them independent of the Plan; no more, no less. None of Devon, the Investment Committee, the Benefits Committee, nor any other person or entity guarantees the investment performance of any funds or other investment option. None of Devon, the Investment Committee, the Benefits Committee or any employee or officer of Devon or any affiliated company is authorized to give you personalized investment advice regarding the investment of your account in the Plan.

Default Investment Fund

If you fail to make an affirmative investment election for all or any portion of your account (because you are automatically enrolled in the Plan or otherwise), such amounts will be invested in a default investment fund as designated by Devon. In addition, CRCs will be allocated to a default investment fund automatically when they are contributed to the Plan on your behalf. You can change the investment of any CRCs once the amounts have been contributed to the Plan.

Currently, the Plan's default investment fund is the "**Target Retirement Date Funds**" family. The Target Retirement Date Funds are investment alternatives that provide a mixture of fixed income and equity investments that are matched to your age and an assumed retirement age of 65. The portfolio becomes more conservative over time. The lineup of Target Retirement Date Funds currently includes:

- Target Date Income Fund
- Target Date 2010 Fund
- Target Date 2015 Fund
- Target Date 2020 Fund
- Target Date 2025 Fund
- Target Date 2030 Fund
- Target Date 2035 Fund
- Target Date 2040 Fund
- Target Date 2045 Fund
- Target Date 2050 Fund
- Target Date 2055 Fund

The lineup of Target Retirement Date Funds may be updated from time-to-time. You may change the investment of amounts defaulted into the Target Retirement Date Funds at any time and for any reason. (See the section below titled "Changing Your Investments" for more information about making changes.)

Devon Common Stock Fund

The Devon Common Stock Fund seeks to increase the value of your investments over the long term by investing in the common stock of the Company. The Devon Common Stock Fund is a fund that pools your money with that of other employees to buy shares of stock in the Company. Your interest in the Devon Common Stock Fund is reflected as "units" of Devon Common Stock, and not actual shares of Devon Common Stock, because the Devon Common Stock Fund includes a small amount of short-term or cash investments to facilitate trades. As such, the value of a unit of the Devon Common Stock Fund does not correlate directly to the price of a share of Devon Common Stock. The purchase price of each "unit" in the Devon Common Stock Fund will equal the sum of the market price of the Devon Common Stock plus the pro rata value of the short-term or cash investments, each determined as of the date of the purchase. More information about the Devon Common Stock Fund is included in the Prospectus.

Investment in the Devon Common Stock Fund is available only to employees of the Company and its subsidiaries. In addition, you can only invest a maximum of 15% of your pre-tax contributions and/or Roth contributions and a maximum of 15% of any rollover contributions into the Devon Common Stock Fund. This means that *you cannot direct the investment of any of your current account balances into the Devon Common Stock Fund*. To the extent that matching contributions are made on pre-tax contributions and/or Roth contributions that are directed for investment in the Devon Common Stock Fund, those matching contributions will also be invested in the Devon Common Stock Fund.

Also, please note that the Plan has been designated by the Company as a non-leveraged employee stock ownership plan (referred to as an "**ESOP**") for purposes of the Code. This ESOP component of the Plan is designed to be invested primarily in employer securities within the meaning of Code section 4975(e)(8) and, as such, the sole investment of the ESOP shall be the Devon Common Stock Fund.

Dividends on Devon Common Stock. Dividends may be paid periodically on Devon Common Stock that is attributable to your investment in the Devon Common Stock Fund. You will be able to make an election to either receive in cash all of the cash dividends that are paid or to have those dividends reinvested in the Devon Common Stock Fund. Currently, you may make (or change) your election at any time until 3:00 p.m. Central time, 10 business days prior to the scheduled payment date for the dividend. If you do not make an affirmative election to receive the distribution of any dividends, you will be deemed to have chosen to have those dividends reinvested. In addition, if the dividends attributable to your investment in the Devon Common Stock Fund total less than \$10, your dividends will be reinvested (even if you made an election to receive the dividends in cash). These election procedures may be changed or updated by the Benefits Committee. You will be notified of any such changes or updates.

The amount of your dividend will be based on the number of units of Devon Common Stock attributable to your investment in the Devon Common Stock Fund as of 3:00 p.m. Central time on the last business day immediately preceding the "**ex-dividend date**," which is the date on which the stock starts trading without entitlement to a dividend. The ex-dividend date generally occurs several weeks before the dividends are actually paid. Dividends are based only on the Devon Common Stock attributable to your investment in the Devon Common Stock Fund and not the small amount of short-term or cash investments that is maintained for liquidity. Additional information concerning the Devon Common Stock Fund and dividends that are paid on Devon Common Stock is included in the Prospectus.

If you receive the distribution of any dividends in cash, your account will be charged a fee for processing the check or for an electronic funds transfer to your personal bank account. The current fee is \$10 for check processing and \$6 for an electronic funds transfer to your personal bank account. (For details on the fees associated with receiving payment of dividends in cash, contact Fidelity or visit Fidelity's website as described in the section titled "How the Plan Is Run – Toll-Free Customer Service & Internet Access.")

Dividend payouts by check generally are processed in approximately three to five business days, and electronic funds transfers generally are processed within 24 hours after the dividend payment date.

You will always be fully vested in cash dividends paid on Devon Common Stock attributable to your investment in the Devon Common Stock Fund.

Voting Rights on Devon Common Stock. You will be able to exercise proxy voting rights on the shares of Devon Common Stock allocated to your account. You will be sent information about any proxy voting rights prior to the time those rights may be exercised. The confidentiality of information relating to such voting, tender and similar rights, except to the extent necessary to comply with applicable federal or state law, will be safeguarded under procedures as established by the Benefits Committee.

Brokerage Accounts

In addition to the investment funds and the Devon Common Stock Fund, you also have a right to establish a brokerage account (sometimes called a "self-directed brokerage account") that allows you to direct the investment of your Plan contributions and Company matching contributions that are allocated to the brokerage account, along with other amounts previously contributed to the Plan and reallocated to the brokerage account, in a broad range of Fidelity and non-Fidelity mutual funds not offered within the Plan's standard series of investment funds. This feature is called Fidelity BrokerageLink[®] on the Fidelity website. If you wish to establish a brokerage account, you may be required to complete a Fidelity BrokerageLink[®] application and agreement. A self-directed brokerage account entails greater risk and is not appropriate for everyone.

There is no annual fee for establishing a brokerage account. However, a fee or commission for each transaction will be charged to your account. The schedule of transaction fees and commissions for Fidelity BrokerageLink[®] is available on the Fidelity website. To the extent that there are any costs or charges associated with the directed investment options, those costs and charges will be allocated to your accounts and will not be treated as a general expense that would otherwise be shared by all participants in the Plan. There may be a minimum initial amount and minimum subsequent amounts that can be transferred to your brokerage account, and there may be other rules and procedures that govern the brokerage account. You should contact Fidelity if you have questions concerning Fidelity BrokerageLink[®]. (For information on how to contact Fidelity and access Fidelity's website, see the section titled "How the Plan Is Run – Toll-Free Customer Service & Internet Access.")

Importance of Diversification

To help achieve long-term retirement security, you should give careful consideration to the benefits of a well-balanced and diversified investment portfolio. Spreading your assets among different types of investments can help you achieve a favorable rate of return, while minimizing your overall risk of losing money. This is because market or other economic conditions that cause one category of assets or one particular security to perform very well may cause another asset category or another particular security to perform poorly. If your accounts are invested in a manner such that more than 20% of your retirement savings is invested in any one company or industry, your savings may not be properly diversified. Although diversification is not a guarantee against loss, it is an effective strategy to help you manage investment risk.

In deciding how to invest your retirement savings, you should take into account all of your assets, including any retirement savings outside of the Plan. No single approach is right for everyone because, among other factors, individuals have different financial goals, different time horizons for meeting their goals, and different tolerances for risk. Therefore, you should carefully consider the nature of the

investments and the risks described in this notice, and how these risks affect the amount of money that you invest in Devon Common Stock through the Plan.

It is also important to periodically review your investment portfolio, your investment objectives, and the investment options under the Plan to help ensure that your retirement savings will meet your retirement goals.

CHANGING YOUR INVESTMENTS

You may change your investment elections for future contributions and/or transfer existing assets from one investment option to another at any time. To change your investment elections, visit Fidelity's website at www.401k.com (and enter your username or password) or call Fidelity at (800) 890-4015. Requests for changes that are received on a business day by 3:00 p.m. (CST) will become effective as soon as your designations are received and processed. Requests received after 3:00 p.m. (CST) will become effective on the next business day.

IMPLEMENTATION OF ELECTIONS

Please note that you are responsible for monitoring and confirming that any election you make under the Plan (for example, an election about the amount you wish to contribute to the Plan or how you want your Plan account to be invested) is made, and is made correctly. While the Benefits Committee and Fidelity have procedures in place to ensure that elections are made correctly, you have firsthand knowledge of your election and are in the best position to confirm that your election is made correctly. This means, for example, that if you make an election to change the amount you are contributing to the Plan, you should check your pay stub to confirm that the correct amount is being deducted from your pay. Or, if you change your investment election, you should go online or call Fidelity to confirm that your account is being invested correctly. (For information on how to contact Fidelity and access Fidelity's website, see the section titled "How the Plan Is Run – Toll-Free Customer Service & Internet Access.")

If there is a problem with any election you make, it is your responsibility to notify Fidelity immediately. If you do not discover the problem in a timely fashion (because you failed to monitor and confirm that your election was made correctly), or you do not notify Fidelity as soon as you discover the problem, you will be treated as having approved and accepted the manner in which your election was implemented.

INVESTMENT GROWTH

The value of your Plan account at any time depends upon a number of factors, including:

- how much and how long you save;
- investment gains (or losses);
- any withdrawals you take; and
- any Plan expenses assessed to your account.

Account Statements

Once each quarter, a statement will be made available to you showing the total value of contributions and earnings in your account, as well as your vested status. Prepared by Fidelity, the quarterly statement is designed to help you monitor your investments and decide if they are meeting your personal financial goals. You also may visit Fidelity's website or call Fidelity for current account information and details on

your contributions and earnings, as well as your vested status. (For information on how to contact Fidelity and access Fidelity's website, see the section titled "How the Plan Is Run – Toll-Free Customer Service & Internet Access.")

An Example of Growth Over Time

While no one can predict how investment funds will perform, here is an example to show how systematic savings and investment growth could pay off over time. Assume that your annual compensation is \$35,000 and you save 6% of that amount, or \$2,100, in pre-tax contributions to the Plan. Also assume that no in-Plan Roth conversion election is made. For purposes of this example, assume that your compensation and contribution rate remain the same over the years and that you leave the money in the Plan with no withdrawals or loans. Here is what could happen to that \$2,100 annual contribution at various rates of return.

Years in Plan	Your Pre-Tax Contributions	Total Account Balance at Rate of Return		
		6%	8%	10%
5	\$ 10,500	\$ 12,251	\$ 12,918	\$ 13,633
10	\$ 21,000	\$ 28,785	\$ 32,184	\$ 36,098
15	\$ 31,500	\$ 51,100	\$ 60,916	\$ 73,120
20	\$ 42,000	\$ 81,217	\$103,767	\$134,130
25	\$ 52,500	\$121,864	\$167,672	\$234,669
30	\$ 63,000	\$176,722	\$262,979	\$400,351

This hypothetical example is based on weekly contributions made at the beginning of the period to a tax-deferred retirement plan and an annual rate of return compounded weekly and does not reflect any fees or expenses against the plan account. Your own Plan account may earn more or less than this example, and your Plan account may be subject to fees and expenses. Because the contributions in this hypothetical example are made on a pre-tax basis and the example assumes that no in-Plan Roth conversion is made, income taxes will be due when you withdraw from the account. This hypothetical example also does not include any Company contributions.

PLAN EXPENSES

Unless otherwise paid by Devon, all administrative expenses are paid from the Plan (typically, by using forfeitures to pay these expenses). Included among these administrative expenses are fees paid to administrative service providers such as auditors and attorneys, recordkeeping fees paid to Fidelity, trustee fees and other such administrative fees and expenses. In addition to these administrative expenses, brokerage commissions, investment management fees and other investment fund specific expenses are paid directly from the investment funds. Information on specific investment fund expenses is contained either in the fund fact sheet or the prospectus for the particular investment fund. These fees and expenses will reduce the rate of return on your Plan investments.

If you have a brokerage account, other expenses associated with your brokerage account may apply to you, such as commissions or fees (e.g., per trade fees) charged in connection with the purchase or sale of an investment option, including front-end or back-end sales loads, in addition to expenses paid directly

from the investment selected through the brokerage account. Fees or commissions for each transaction will be charged to your brokerage account and not paid by Devon. Before engaging in any transactions through your brokerage account, you should obtain information about any fees, including any undisclosed fees, associated with the purchase or sale of a particular investment. The schedule of transaction fees and commissions for Fidelity BrokerageLink[®] is available on the Fidelity website. (For information on how to contact Fidelity and to access Fidelity's website, see the section titled "How the Plan Is Run – Toll-Free Customer Service & Internet Access.")

LOANS

Although the Plan is intended to be a long-term retirement savings vehicle, there may be times when you need to access your savings—for example, to buy a home or pay college tuition—before retirement. While you are working, the Plan allows you to borrow a portion of your vested account for any reason.

When you take a loan from the Plan, you are the lender as well as the borrower because you take money out of your own Plan assets and repay it with interest into your account. In other words, you repay yourself so that the money will still be available for your retirement. You will not pay taxes on the loan amount, as long as you repay it on time.

Loan Rules

- You may borrow up to the lesser of \$50,000 or 50% of your vested account balance (excluding amounts attributable to your CRCs). For example, if you have no other loans outstanding, your account balance is \$25,000, and \$10,000 of that balance is attributable to CRCs, the maximum loan you may take is \$7,500. The minimum loan amount is \$1,000, which means that you must have a vested account balance of at least \$2,000 to be eligible to take a loan from the Plan.
- You may have only two outstanding loans at any time; if you default on a loan, the defaulted loan will be considered outstanding and count against this loan limit until the defaulted loan is repaid.
- If a domestic relations order regarding your account is pending, you may be prohibited from taking a loan from the Plan until a final determination is made on whether the domestic relations order is a Qualified Domestic Relations Order. (For information on Qualified Domestic Relations Orders, see the section titled "Qualified Domestic Relations Orders.")
- The interest rate is set at the time of the loan and will remain the same throughout the term of the loan. The rate will be determined by the Benefits Committee (or its designee) and will be commensurate with the prevailing interest rates charged on similar commercial loans under similar circumstances. The interest rate is currently equal to the prime rate plus one percent.
- You may choose a repayment period of up to five years (unless the loan is for the purchase of a principal residence, in which case the repayment period can be up to 15 years).
- Loans generally will be made from your Plan vested account balances in the following order (and to the extent applicable): Roth rollover contributions, non-Roth rollover contributions, after-tax contributions, Roth contributions and pre-tax contributions. Loans will not be permitted from amounts attributable to matching contributions or CRCs.
- Loan repayments (principal and interest) are made through automatic payroll deductions or through ACH direct deduction from a savings or checking account in equal amounts over the repayment period. All repayments go back into your Plan account and are invested according to your most recent investment election.
- A set-up fee for each loan will be deducted from your account by Fidelity at the time the loan is made. The set-up fee is currently \$100. Maintenance fees are not currently charged on loans

taken from the Plan. Visit Fidelity's website for up-to-date information on the fee associated with taking a loan from the Plan.

- You may repay any portion of your loan, including your total outstanding loan balance, in advance, at any time with no penalty. These prepayments may only be made by ACH, cashier's check, certified check or money order. You may not use personal checks. You may not take a new loan for at least ten days after you repay the prior loan.

Applying For a Loan

To apply for a loan, you must contact Fidelity. If the loan is approved, you will receive a check from Fidelity and a repayment schedule. Repayments through payroll deduction will begin as soon as practicable following distribution of the loan to you. (For information on how to contact Fidelity and access Fidelity's website, see the section titled "How the Plan Is Run – Toll-Free Customer Service & Internet Access.")

If You Take a Leave of Absence

If you take an unpaid leave of absence from the Company (or you take a paid leave of absence and loan repayments are not deducted from your pay), you may choose to suspend your loan repayments during such leave of absence for up to 12 months. You may not, however, extend the term of your loan beyond five years (or the original term if the loan is for the purchase of a principal residence). This means that when you return to work, you will have to resume your loan payments at an increased rate—that is, your loan will be reamortized over the remaining term of the loan.

If you take a leave of absence from the Company for military service pursuant to the Uniformed Services Employment and Reemployment Act, your loan repayments may be suspended during such leave of absence and shall resume following the completion of your military service. In addition, the interest rate on any loan may be limited to 6% under certain circumstances. You should contact the Benefits Committee for additional information if you are taking a leave of absence due to military service.

If Your Employment Ends

If your employment ends during the term of your loan for any reason, you must repay the unpaid balance of any loan unless you make arrangements to continue loan repayments following your termination of employment. If you do not make arrangements to continue loan repayments and you do not repay the full amount of the loan, the unpaid loan balance will be treated as a distribution and may be subject to income taxes and possibly a 10% tax penalty for early distribution. You may also direct Fidelity to treat the unpaid loan balance as a distribution. If you take a distribution of your account balance, the loan balance will be treated as distributed to you and you will not be eligible to roll over this loan balance to another eligible retirement plan.

If You Fail to Repay Your Loan

A loan will be considered delinquent if a payment is not made within 30 days of the date it is first due. If you do not make up the payment by the end of the calendar quarter following the calendar quarter in which the loan payment was first due, or if you do not otherwise repay your loan on time, the loan will be considered to be in default. If this happens, and you do not repay your loan and any interest due, the Plan will treat the unpaid loan balance as a distribution (a "deemed distribution") and you may be subject to income taxes and possibly a 10% tax penalty for early distribution, but your account will not be reduced by the amount of your loan default until the occurrence of a distributable event, such as your termination

of employment. Unpaid amounts will continue to accrue interest after a default occurs, until either a distributable event occurs or the loan is repaid.

WITHDRAWALS WHILE WORKING

The primary purpose of the Plan is to provide you with retirement income. However, you may withdraw some of your savings while you are working. These withdrawal rules are explained in more detail below. (Note: if you are a former employee of another company that was acquired by, or merged into Devon, you may have additional distribution rights under the Plan.)

Withdrawals of Your Pre-Tax and/or Roth Contributions

In exchange for the tax benefits you receive on pre-tax contributions (including catch-up contributions), the federal government limits your access to this money while you are working to withdrawals in connection with a financial hardship and withdrawals after age 59½ (see "Hardship Withdrawals" and "Age 59½ Withdrawals," respectively, below).

Hardship Withdrawals

Your pre-tax and Roth contributions (including any pre-tax contributions that have been subject to an in-Plan Roth conversion election) are available for withdrawal at any time if you have a financial hardship. A financial hardship means you have an *immediate and heavy financial need* for which money is not available from any other source. This means that you must take any other available Plan withdrawal (such as an age 59½ withdrawal described below under "Age 59½ Withdrawals") or loan before you can take a hardship withdrawal.

Under current federal income tax law, you will be deemed to have an immediate and heavy financial need if you need money for one of the following reasons:

- to pay medical expenses (as described in IRS Publication 502) for you, your spouse, your children or other eligible dependents;
- to pay costs directly related to the purchase of your principal residence (not including mortgage payments or remodeling expenses);
- to pay tuition and related educational fees for the next 12 months of post-secondary education, such as college or advanced technical school, for you, your spouse, your children or other dependents;
- to pay amounts necessary to prevent eviction from, or foreclosure on the mortgage of, your principal residence;
- to pay for burial or funeral expenses for you, your spouse, your parents, your children or other dependents; and
- to pay expenses for the repair of damage to your principal residence that would qualify for the casualty deduction under Code section 165.

To obtain a hardship withdrawal, you generally also must show that:

- You cannot sell other assets to finance the hardship without causing additional hardship.
- You do not have insurance that will pay for the hardship.
- You cannot satisfy the hardship by stopping your contributions to the Plan.
- You are not eligible to take any other distributions or loans from the Plan.

- You cannot obtain another loan from a commercial lender (for example, a bank) to eliminate the hardship.

The amount of your hardship withdrawal cannot be more than the amount you need to satisfy the immediate and heavy financial need (including amounts necessary to pay any taxes or penalties resulting from the hardship withdrawal). You may only take one hardship withdrawal during a plan year. Further, if you take a hardship withdrawal, you will be prohibited from making pre-tax and Roth contributions to the Plan for six months from the date you take your hardship withdrawal, and you may be required to make an election to receive dividend distributions on Devon Common Stock in cash rather than have those amounts reinvested. You may also be prohibited for six months from making contributions to other retirement plans and deferred compensation plans that are sponsored by Devon or any affiliated company. There is currently no fee for a hardship withdrawal. Up-to-date information on any fee for a hardship withdrawal is available on the Fidelity website.

You can apply for a hardship withdrawal online through the Fidelity website. Fidelity has been designated by the Benefits Committee to review all applications for a hardship withdrawal and determine if the application meets the guidelines. You may be required to provide acceptable proof of the hardship and information supporting your request for a hardship withdrawal. (For information on how to access Fidelity's website, see the section titled "How the Plan Is Run – Toll-Free Customer Service & Internet Access.")

Age 59½ Withdrawals

Once you reach age 59½, you may withdraw all or part of your vested Plan accounts. However, if you elect to withdraw any amounts attributable to Company contributions (such as matching contributions or CRCs), including amounts attributable to Company contributions that were the subject of an in-Plan Roth conversion election, your withdrawal will be deducted from all of your Plan accounts holding Company contributions on a pro rata basis. In the event that you make a withdrawal of stock from amounts invested in the Devon Common Stock Fund, fractional shares will be paid in cash.

Withdrawal of Rollover Contributions

You may withdraw all or part of your rollover contributions (including rollover contributions that were the subject of an in-Plan Roth conversion election) at any time for any reason upon written application to the Benefits Committee.

Taxes on Withdrawals

Any withdrawal (other than withdrawals of amounts attributable to Roth contributions, in-Plan Roth conversions and rollovers from other Roth accounts and that constitute qualified distributions) will be added to your total income for that year and taxed at your applicable income tax rate. Certain withdrawals may also be subject to an additional 10% tax penalty for early distribution.

Before you request any type of withdrawal from the Plan, read the sections "U.S. Federal Tax Information" and "State and Local Tax Information" in this summary. You also should consult your personal tax advisor.

QUALIFIED DOMESTIC RELATIONS ORDERS

All or a portion of your account may be payable to a former spouse (sometimes referred to as an "alternate payee") in the event that the Plan receives a domestic relations order which it determines to

be a Qualified Domestic Relations Order (referred to as a "**QDRO**"). A QDRO is a judgment, decree or court order issued by a state court relating to alimony, division of marital property, or child support. You will be notified if a QDRO naming you is served upon the Plan. Under the terms of the Plan, an alternate payee may elect to take an immediate lump-sum payment of his/her benefit from the Plan if the QDRO so provides.

Except for distributions that are made pursuant to a QDRO, payments from the Plan may only be made to you when you take a distribution or withdrawal as described above. This means that your retirement benefits generally may not be attached by your creditors. Likewise, you are not permitted to assign or pledge your retirement benefits to another person.

The Plan has adopted a formal procedure for determining if a judgment, decree or court order is a QDRO. You may access the Plan's QDRO procedures online through Fidelity's QDRO Center website at <https://qdro.Fidelity.com>. Your account will be charged a fee of up to \$1,800 for the processing of the QDRO. The amount depends on the source of the QDRO (i.e., whether the QDRO is generated through Fidelity's QDRO Center website), whether alterations are made to a QDRO generated through Fidelity's QDRO Center website, and the complexity of the QDRO. The amount of the fee is available from Fidelity on its website.

WHEN YOUR EMPLOYMENT ENDS

When your employment ends or when you retire, you will be entitled to receive a distribution of the full value of your vested Plan account, including all of your pre-tax, Roth, matching, company retirement, in-Plan Roth conversion amounts and rollover contributions, plus the earnings (or minus the losses) on each.

If You Retire, Become Disabled, or Otherwise End Your Employment

If your total account balance (not including amounts attributable to your rollover contributions and any earnings thereon) is \$1,000 or less, it automatically will be paid to you in a single lump-sum payment or paid in the form of a direct rollover at your election. An automatic distribution to you will be made if you do not request a direct rollover.

If your total account balance (not including amounts attributable to your rollover contributions and any earnings thereon) is between \$1,000 and \$5,000, it will be paid to you in a single lump-sum payment or paid in the form of a direct rollover at your election. If you fail to make an election, your account will automatically be rolled over to an IRA that is established for you in your name, and the balance will no longer be part of the Plan. The IRA provider will charge your IRA for any expenses associated with the establishment and maintenance of the account.

If your total account balance (not including amounts attributable to your rollover contributions and any earnings thereon) is more than \$5,000, you may choose to:

- take a total distribution as a lump sum;
- receive your account balance in substantially equal installments (monthly, quarterly, semi-annually or annually) for any period less than the life expectancy of you and your beneficiaries;
- elect to have your account directly rolled over into another eligible retirement plan; or
- leave the balance in the Plan (but not beyond your required beginning date as described under the "Required Minimum Distributions" section).

All distributions from the Plan will be made in cash, except that any portion of your account that is invested in the Devon Common Stock Fund may be distributed in stock. If you elect stock, fractional shares will be paid in cash.

If you leave your account balance in the Plan, you will continue to be able to transfer from one investment option to another, just as you could while working. You will be allowed to withdraw all of your savings at any time in the future. (Note: If you are a former employee of another company that was acquired by or merged into Devon, you may have additional distribution rights under the Plan. Affected employees will receive more specific information about any such additional distribution options that are available upon request.

If You Die

If you die, your beneficiary is entitled to the full value of your account, which will be paid as soon as practicable following your death. Your beneficiary may elect the lump-sum or installment form of distribution as described above. Your beneficiary may elect a rollover of the account to an eligible retirement plan or an IRA.

In general, you may designate anyone that you want as your beneficiary and may designate secondary beneficiaries to receive your benefit if your initial beneficiary dies before you do. However, if you are married and designate a beneficiary other than your spouse, your spouse must consent to the beneficiary designation in writing, which must be notarized. If you die without designating a beneficiary or if all of your beneficiaries die before you, your benefit will be paid to your spouse, or, if you have no spouse at the time of your death, to your estate.

How the Distribution Amount Is Determined

The value of your distribution is determined as of the day that your distribution request is processed by Fidelity. This valuation takes into account the amount of your contributions to the Plan and the earnings or losses on all contributions to your account, calculated up through the date your distribution request is processed.

Applying for a Distribution

To apply for distribution of your account, you must contact Fidelity by telephone or through Fidelity's website. Payment is made as soon as administratively practicable. If the total value of your account (not including amounts attributable to rollover contributions and their earnings) is more than \$5,000, distribution will not be made to you without your consent. (For information on how to contact Fidelity and access Fidelity's website, see the section titled "How the Plan Is Run – Toll-Free Customer Service & Internet Access.")

Required Minimum Distributions

To make sure that most of your retirement benefits are paid to you during your lifetime, rather than to your beneficiaries after your death, you must begin to receive payment of your account balance by April 1 of the calendar year following the calendar year in which you terminate employment or reach age 70½, *whichever is later*. This date is referred to as your "**required beginning date**." Once you reach your required beginning date, you will automatically receive a lump-sum distribution of your entire account, unless you elect the optional installment form of distribution. You are required to receive a distribution each year from the Plan that is not less than a minimum amount required under applicable U.S. federal income tax rules. This minimum amount is referred to as a "**required minimum distribution**." If you

do not receive your entire required minimum distribution, the amount that should have been (but was not) distributed as the required minimum distribution will be subject to an excise tax. (See "Federal Tax Information – Excise Tax on Required Minimum Distribution Failures" below for more details.) If you have questions about these required minimum distribution rules, you should contact your tax advisor for more information.

Rollovers Out of the Plan

If you receive a distribution as a lump-sum or an installment payment that is part of a series of payments over a period of less than 10 years (or, if shorter, over a period equal to the life expectancy of you and your designated beneficiary), the distribution generally is considered an "**eligible rollover distribution**" that may be rolled over into another qualified plan or an IRA. A rollover out of the plan generally will permit you to postpone paying income taxes on the distribution until a later date.

When rolling over an eligible rollover distribution, you may elect to have the distribution transferred directly from the Plan to the other qualified plan or IRA, or you may choose to receive the distribution first before rolling it over. If you receive the eligible rollover distribution, it must be rolled over within 60 days of the date it is distributed to you. If the distribution is made to you and is subject to the mandatory 20% U.S. federal income tax withholding, you must replace the 20% that is withheld if you wish to roll over 100% of the distribution. If you do not roll over 100% of the distribution, you will be taxed on the portion of your distribution that is not rolled over. (See "Federal Tax Information" and "State and Local Tax Information" below for more details.) A rollover of Roth contributions or amounts attributable to an in-Plan Roth conversion must be made by direct transfer to the new Roth IRA or Roth account of the other qualified plan. Rollovers are also available to your beneficiaries and alternate payees under a QDRO.

U.S. FEDERAL TAX INFORMATION

The following is a general description and summary of current U.S. federal income tax laws as they pertain to your Plan accounts. The description is based on the tax laws currently in effect, which are subject to change at any time, and assumes the Plan's continued tax-qualified status, which is determined only by the Internal Revenue Service. It is not a recommended course of action and is not intended as tax advice. ***You are strongly urged to consult a tax advisor regarding the U.S. federal income tax consequences of your deferral elections and distributions from the Plan before you make any decisions.***

You also may wish to refer to IRS Publications 575 and 590 for more information. Call **1-800-TAX-FORM** or visit **www.irs.gov** to obtain an Internal Revenue Service publication.

Taxation of Pre-Tax, Roth and Company Contributions and Earnings

Your pre-tax contributions and Company contributions (including matching contributions and CRCs) are made to the Plan before U.S. federal income taxes are withheld. As long as you keep these contributions in the Plan, these contributions and any earnings on the contributions will not be subject to U.S. federal income tax. Your Roth contributions are contributed on an after-tax basis, and earnings on your Roth contributions will not be subject to U.S. federal income tax as long as they remain in the Plan, and the distribution of earnings on your Roth contributions will not be subject to U.S. federal income tax as long as the distribution is a qualified distribution. (See the sections above titled "Your Contributions – Pre-Tax Savings" and "Your Contributions – Roth Savings" for additional information concerning pre-tax and Roth contributions and the discussion below under "Ordinary Income Tax on Distributions" for information concerning the U.S. federal income tax consequences of distributions of these amounts.)

Taxation of In-Plan Roth Conversions

Pre-tax contributions, Company contributions and pre-tax rollover amounts for which you make an in-Plan Roth conversion election will be subject to U.S. federal income tax in the year of the in-Plan Roth conversion. Earnings on your in-Plan Roth conversion amounts will not be subject to U.S. federal income tax as long as they remain in the Plan, and the distribution of earnings on your in-Plan Roth conversion amounts will not be subject to U.S. federal income tax as long as the distribution is a qualified distribution. (See the section below titled Ordinary Income Tax on Distributions.)

Dividends Paid on Devon Common Stock

Dividends that are paid in cash to you on Devon Common Stock that is held through your Plan accounts are subject to U.S. federal income tax to you when they are received by you. These dividends do not qualify for special tax rates on corporate dividends.

Dividends on Devon Common Stock that are not paid in cash to you but are instead reinvested in the Devon Common Stock Fund are not subject to U.S. federal income tax when they are reinvested. These amounts may be subject to U.S. federal income tax at the time of distribution from the Plan. (See the discussion under "Ordinary Income Tax on Distributions" for information on the U.S. federal income tax consequences of distributions made in cash and the discussion under "Distributions in kind of Devon Common Stock" for information on the U.S. federal income tax consequences of a distribution of Devon Common Stock.)

Ordinary Income Tax on Distributions

When you receive a distribution from the Plan (whether the distribution occurs while you are still employed, as a result of a default on a loan, or after your termination of employment), the taxable portion of your distribution will be subject to U.S. federal income tax at ordinary income tax rates. If you want to defer paying this tax until a later date, and the amount is an eligible rollover distribution, you can roll over your distribution into an IRA or to another qualified plan.

The taxable portion of your distribution includes:

- company contributions (and earnings) to your account (i.e., matching contributions and CRCs);
- your pre-tax contributions (and earnings) to your account; and
- any rollover amounts (and earnings) attributable to pre-tax contributions made to another qualified plan.

The taxable portion of your distribution does not include amounts attributable to your Roth contributions (and earnings), your rollover contributions (and earnings) attributable to Roth contributions made to another qualified plan and your in-Plan Roth conversion elections (and earnings), provided that the distribution is a qualified distribution. For a distribution to be deemed a qualified distribution, you must be at least age 59½ or disabled or deceased at the time of the distribution and your Roth contributions must be held for at least a five-year participation period. (See the discussion above under "Your Contributions – Roth Savings" for information on the requirements of a qualified distribution and the five-year participation period.)

If the distribution of amounts attributable to Roth contributions (including Roth contributions made to another qualified plan and rolled over into the Plan and amounts attributable to an in-Plan Roth conversion election) is not a qualified distribution, then the *earnings portion* of the distribution is

included in your gross income for U.S. federal income tax purposes and taxed at ordinary income tax rates. The actual Roth contributions you made to this Plan (or to another qualified plan and rolled over into this Plan) are not subject to income tax at distribution.

Distributions In Kind of Devon Common Stock

A distribution of Devon Common Stock will be taxable to you to the extent attributable to pre-tax contributions, matching contributions or Roth contributions or in-Plan Roth conversion elections (but only to the extent that the distribution is not a qualified distribution). If the taxable distribution of Devon Common Stock is part of a lump-sum distribution, the net unrealized appreciation in the value of the stock is not taxed at the time the stock is distributed to you, but rather is deferred until the time the stock is sold or otherwise disposed of in a later transaction. The net unrealized appreciation in the value of the Devon Common Stock is the amount by which the stock's value has increased while held in the Plan. However, you may elect to pay tax at the time of distribution on such net unrealized appreciation. If the taxable distribution of Devon Common Stock is distributed in other than a lump-sum distribution, the net unrealized appreciation is taxed at the time of distribution and may not be deferred until the time the stock is sold or otherwise disposed of in a later transaction.

If you receive an eligible rollover distribution that includes Devon Common Stock, you may sell the stock and still obtain tax-free rollover treatment by contributing the sale proceeds to a qualified plan or IRA within 60 days of the date the distribution is made. (See the section titled "When Your Employment Ends – Rollovers Out of the Plan" for more information on rollovers.)

Mandatory U.S. Federal Income Tax Withholding

If you choose to receive a distribution that is an eligible rollover distribution, 20% of the taxable portion of the distribution is automatically withheld as a prepayment of U.S. federal income tax. You cannot elect out of this withholding. However, an eligible rollover distribution that is transferred directly from the Plan to another qualified plan or an IRA will not be subject to the mandatory 20% withholding. (See the discussion under "When Your Employment Ends – Rollovers out of the Plan" for more information on eligible rollover distributions.)

Required minimum distributions are not eligible rollover distributions and are not subject to automatic 20% withholding. As such, you may choose whether or not to have federal income tax withheld from any required minimum distributions. If you choose not to have federal income tax withheld, you are responsible for payment of any applicable taxes.

Additional Tax Penalty on Early Withdrawals

Current U.S. federal income tax law imposes an ***additional federal penalty tax of 10%*** on the taxable portion of certain early distributions that are not rolled over into another eligible retirement plan. (For example, most distributions that are made to you before age 59½ are subject to this additional 10% penalty tax.) However, some distributions are *exempt* from this penalty. You should consult your personal tax advisor to see if any exemptions might apply to you.

Payment of this additional 10% penalty tax is between you and the IRS—the Company does not withhold any part of this tax from your distribution. You pay this penalty when you file your annual U.S. federal income tax return.

Excise Tax on Required Minimum Distribution Failures

If the actual distributions to you in any year are less than the minimum required distribution for that year, you are subject to an excise tax. The excise tax equals 50% of the required minimum distribution that was not distributed. Under certain circumstances, a waiver of the excise tax may be available. If you are subject to the excise tax, you should discuss the possibility of a waiver with your personal tax advisor.

STATE AND LOCAL TAX INFORMATION

Most state and local governments generally treat pre-tax contributions the same way as the federal government. However, some states and local governments tax these amounts at the time they are contributed. Distributions from the Plan may or may not be subject to state and local income taxes when you receive them. You should contact your personal tax advisor for specific information on your state or city.

CLAIMS PROCEDURE

Denial of Benefits

If you feel that you are entitled to certain Plan benefits you are not receiving, if you wish to clarify your rights to a future benefit or if you seek to enforce any right or claim against the Plan, you may make a written request to the Benefits Committee (or its delegate) for such benefits. The written claim must include all arguments for why your claim should be approved, and all documents and information that are relevant to the claim must be provided. If your request is denied, you will be notified in writing within 90 days after the Benefits Committee receives your request. This notice will contain the following information:

- The specific reason or reasons for the denial;
- Specific reference to the Plan provisions on which the denial is based;
- A description of any additional material or information necessary in order to present a thorough appeal and an explanation of why such material or information is needed; and
- An explanation of the claim appeal procedure and time limits applicable to the procedure, including a statement of your right to bring a civil action under Section 502(a) of ERISA after a denial on appeal.

If the Benefits Committee needs more than 90 days to review your claim for benefits, you will be advised in writing within 90 days after the Benefits Committee receives your claim. The notice will tell you why the Benefits Committee needs more time (which cannot exceed an additional 90 days), and the date by which you can expect a decision.

Appeal of Denial

If you disagree with the decision, you may appeal the denial to the Benefits Committee. **IMPORTANT:** You must submit this appeal in writing to the Benefits Committee within 60 days of the date that you receive the Benefits Committee's response to your initial claim. For purposes of the review, you have the right to:

- Submit written comments, documents, records and other information relating to the claim for benefits;

- Request, free of charge, reasonable access to, and copies of, all documents, records and other information relevant to your claim for benefits. For this purpose, a document, record or other information is treated as "relevant" to your claim if it (1) was relied upon in making the benefit decision, (2) was submitted, considered or generated in the course of making the benefit decision, regardless of whether it was relied upon in making the benefit decision, or (3) demonstrates compliance with the administrative processes and safeguards required in making the benefit decision; and
- A review that takes into account all comments, documents, records, and other information submitted by you relating to the claim, regardless of whether the information was submitted or considered in the initial benefit decision.

Issues not raised during the appeal process will be deemed waived.

The denied claim will be reviewed by the full Benefits Committee, and within 60 days after receipt of the request for review you will receive a written notice of the Benefits Committee's decision. The notice will:

- Provide the specific reason(s) for the denial;
- Refer to the provisions of the Plan on which the denial is based;
- Contain a statement that you are entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to your claim; and
- Describe any voluntary appeal procedures offered by the Plan and your right to obtain information about the procedures, and a statement of your right to bring an action under Section 502(a) of ERISA.

Appeals not timely filed will be barred. The Benefit Committee's decision on review will be final and binding on all parties.

If the Benefits Committee needs more than 60 days to review the denied claim, you will be advised in writing within 60 days after the Benefits Committee receives the request for review. The notice will tell you why the Benefits Committee needs more time (which cannot exceed an additional 60 days), and the date by which you can expect a decision.

If you do not agree with the decision of the Benefits Committee, you may bring legal action in U.S. Federal District Court. You cannot bring legal action unless your claim has been reviewed and denied by the Benefits Committee. In addition, as described below, you must file your claim in a timely fashion, or your claim will be time-barred.

If you become aware that the Benefits Committee has failed to implement any action you have taken with respect to your Plan benefit, or such action was incorrect or not consistent with your intent, and you fail to immediately notify the Benefits Committee, you will be deemed to have accepted such action or failure to act.

Time Limit to Bring a Claim and Lawsuit

Claims under the Plan's administrative claims and appeals procedures described above and lawsuits must be commenced within a particular period of time; otherwise, they will be time-barred. You generally must exhaust the Plan's administrative claims and appeals procedure and commence any claim or lawsuit in the correct court or forum no later than 24 months after the earliest of (A) the date your first benefit payment was made or due, (B) the date the Benefits Committee first denied your request for a Plan benefit or (C) the earliest date you knew or should have known the material facts on which your lawsuit is based

(the "**24-month Claims Period**"). However, if you make a claim under the Plan's claims and appeals procedure within the 24-month Claims Period, the deadline for you to file your lawsuit will not expire until the later of the last day of the 24-month Claims Period and three months after the final notice of denial of your appealed claim is sent to you by the Benefits Committee. Any claim or action filed under the Plan's administrative claims and appeals procedures or any lawsuit that is filed in a court or any other forum after the end of this 24-month Claims Period (or, if applicable, after the end of the additional three-month period) will be time-barred. If you do not agree with the decision of the Benefits Committee, you may bring legal action in federal district court. You cannot bring legal action unless your claim and appeal have been reviewed and denied by the Benefits Committee. As required by the Plan, you must bring any such claim to a court of competent jurisdiction in Oklahoma City, Oklahoma. Devon's employment records and the Plan's administrative records are controlling in all cases. If you believe that those records are incomplete or incorrect, to change or supplement Devon's records, you must provide written documentation that you believe is relevant, such as tax records available from the IRS and earnings and employment reports available from the Social Security Administration. Whether such documentation is sufficient to override Devon's and the Plan's records will be determined by the Benefits Committee.

LOSS OF BENEFITS

You may lose your benefits under the Plan for a number of reasons.

Change of Address

Benefits cannot be paid if you (or your beneficiary, if applicable) cannot be located. To change your address on file after you terminate employment, contact Fidelity using the contact information described in "Toll-Free Customer Service & Internet Access" above. Similarly, your benefits cannot be paid to you unless you make an application for benefits.

Assignment or Attachment of Benefits

Benefits generally cannot be assigned or pledged by you or attached by your creditors. The Plan will not recognize or honor any assignment, transfer, pledge, or sale of your benefits, except in the case of a QDRO as described above, a federal tax lien, or if you are ordered to repay an amount to the Plan pursuant to Code section 401(a)(13).

Failure to Make a Timely Claim or Appeal

If you fail to make a proper application for benefits or fail to provide the required information, you may lose your benefits or your benefits may be suspended. If you do not file your claim or appeal, or bring a claim in court within the required time period, as described in the "Claims Procedure" section above, you will not be able to bring your claim and you will lose any right to claim entitlement to those benefits.

Forfeiture

You will lose part of your benefits (the matching and CRCs made to the Plan on your behalf) if you terminate employment before you are fully vested. In addition, if you are convicted of a crime involving the Plan, your benefits will be forfeited.

Reduction or Loss Under Applicable Law

Your benefit may also be reduced or lost due to limitations under the Internal Revenue Code; the imposition of income, penalty or excise taxes; the imposition of a tax lien or levy; or a judgment or settlement agreement that requires you to make payments to the Plan.

Error in Benefit Calculation

If an error is made in calculating the amount of your benefit and you receive overpayments from the Plan, the Benefits Committee is permitted to take appropriate steps to recover any overpayments erroneously made to you.

Investment Loss

Investment earnings are not guaranteed under the Plan. This means that amounts that you contribute to the Plan or that are contributed to the Plan on your behalf may, depending upon the investment performance of the funds selected by you, decrease in value.

This Plan is a defined contribution plan and the benefits are not insured under Title IV of ERISA by the Pension Benefits Guaranty Corporation (referred to as the "**PBGC**"). The PBGC is a governmental agency formed for purposes of insuring certain types of benefits under defined benefit pension plans.

AMENDMENT AND TERMINATION OF THE PLAN

Devon, by action of its Board (or the Board's authorized delegate), may amend or terminate the Plan at any time, for any reason; however, no amendment may reduce the benefits that you already have accrued under the Plan. If the Plan is terminated or if contributions to the Plan are permanently discontinued, you will be fully vested in all amounts credited to your accounts in the Plan.

NOT A CONTRACT FOR EMPLOYMENT

The Plan and this summary plan description are not contracts that provide employment rights. The Plan and this summary do not restrict in any way the Company's right to terminate or change the terms of your employment.

STATEMENTS REQUIRED BY GOVERNMENT REGULATION

Regulations of the U.S. government require that this summary plan description include the statement that is set forth below. The statement was drafted by the government and is reproduced here with quotation marks. Neither the Company, nor the Benefits Committee, nor any of their representatives can take any responsibility whatsoever for the accuracy or completeness of any assertion in the statement.

"As a participant in the Plan, you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 ("**ERISA**"). ERISA provides that all Plan participants shall be entitled to:

Receive Information About Your Plan and Benefits

Examine, without charge, at the Plan Administrator's office and at other specified locations, such as worksites, all documents governing the Plan and a copy of the latest annual report (Form 5500 Series) filed by the Plan with the U.S. Department of Labor and available in the Public Disclosure Room of the Employee Benefits Security Administration.

Obtain, upon written request to the Plan Administrator, copies of all documents governing the operation of the Plan and copies of the latest annual report (Form 5500 Series) and updated summary plan description. The Plan Administrator may make a reasonable charge for the copies.

Receive a summary of the Plan's annual financial report. The Plan Administrator is required by law to furnish each participant with a copy of this summary annual report.

Prudent Actions by Plan Fiduciaries

In addition to creating rights for Plan participants, ERISA imposes duties upon the people who are responsible for the operation of the Plan. The people who operate your Plan, called "**fiduciaries**" of the Plan, have a duty to do so prudently and in the interest of you and other Plan participants and beneficiaries. No one, including your employer, your union, or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a pension benefit or exercising your rights under ERISA.

Enforce Your Rights

If your claim for a pension benefit is denied or ignored, in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules.

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request a copy of the Plan documents or latest annual report and do not receive them within 30 days, you may file suit in a federal court. In such a case, the court may require the Plan Administrator to provide the materials and pay you up to \$110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the Plan Administrator. If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or federal court. In addition, if you disagree with the Plan's decision or lack thereof concerning the qualified status of a domestic relations order, you may file suit in federal court. If it should happen that Plan fiduciaries misuse the plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous.

Assistance With Your Questions

If you have any questions about your Plan, you should contact the Plan Administrator. If you have any questions about this statement or about your rights under ERISA or you need assistance in obtaining documents from the Plan Administrator, you should contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue, N.W., Washington, DC 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration."

GENERAL INFORMATION

NAME OF THE PLAN

Devon Energy Corporation
Incentive Savings Plan

NAME AND ADDRESS OF PLAN SPONSOR

Devon Energy Corporation
333 W. Sheridan Avenue
Oklahoma City, Oklahoma 73102

TYPE OF PLAN

Defined Contribution
Code § 401(k) Plan and ESOP
ERISA § 404(c) Plan

EMPLOYER IDENTIFICATION NUMBER

73-1567067

PLAN NUMBER

002

NAME, ADDRESS, AND TELEPHONE NUMBER OF PLAN ADMINISTRATOR

Benefits Committee
333 W. Sheridan Avenue
Oklahoma City, Oklahoma 73102
(405) 235-3611

NAME AND ADDRESS OF TRUSTEE

Fidelity Management Trust Co.
82 Devonshire Street
Boston, Massachusetts 02109

Agent Designated for Acceptance of Service of Legal Process

Legal process on matters relating to the Plan may be served in the name of the Plan upon the Trustee (at the address listed above) or the Benefits Committee (at the address listed above) or upon the following agent:

C.T. Corporation
735 N. Robinson
Oklahoma City, Oklahoma 73102

End of Plan's Financial Reporting Year (Plan Year)

The end of the Plan's financial reporting year is December 31. Plan records are kept on a calendar year basis, called the "**plan year.**"