

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

**Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported) **October 13, 2010**

OCCIDENTAL PETROLEUM CORPORATION

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction
of incorporation)

1-9210

(Commission
File Number)

95-4035997

(I.R.S. Employer
Identification No.)

10889 Wilshire Boulevard

Los Angeles, California

(Address of principal executive offices)

90024

(ZIP code)

Registrant's telephone number, including area code:

(310) 208-8800

Check the appropriate box below if the Form 8-K is intended to simultaneously satisfy the filing obligation of the Registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Section 5 — Corporate Governance and Management

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers

Election of Directors.

On October 13, 2010, the Board of Directors of Occidental Petroleum Corporation ("Occidental" or the "Company") increased the size of its Board from 13 to 14 directors in order to elect Mr. Howard I. Atkins, 59, Senior Executive Vice President and Chief Financial Officer of Wells Fargo & Company to the Board. Mr. Atkins, who has been at Wells Fargo since 2001, is responsible for its financial management functions (including controllers, financial reporting, tax management, asset-liability management, treasury, corporate development, investor relations, mergers and acquisitions), its investment portfolios (including fixed income, venture capital and private equity investments) and its corporate properties functions. Mr. Atkins is also a director of Ingram Micro Inc., where he serves on the Audit and Human Resources Committees.

The Board has determined that Mr. Atkins is independent under the New York Stock Exchange listing standards and Occidental's Director Independence Standards. There is no arrangement or understanding between Mr. Atkins and any other persons pursuant to which Mr. Atkins was selected as a director, and there are no related party transactions involving Mr. Atkins that are reportable under Item 404(a) of Regulation S-K. Pursuant to the Company's compensation program for non-executive directors, Mr. Atkins received a pro rata grant of 3,334 shares of restricted stock to reflect this abbreviated term and will receive the same annual retainer and meeting fees paid to the other non-employee directors. At this time, Mr. Atkins has not been appointed to any Board Committees. The election of Mr. Atkins as a director is not part of the corporate governance arrangements described in Item 8.01 below.

Retirement of Directors.

John Chalsty and Irwin Maloney have expressed their intention not to stand for re-election as directors at the 2011 Annual Meeting of Stockholders.

A copy of the press release of Occidental with respect to the foregoing Board changes is attached as Exhibit 99.1 and is incorporated herein by reference.

Succession of Officers.

On October 14, 2010, the Board of Directors of Occidental announced that Dr. Ray R. Irani, Chairman and Chief Executive Officer of Occidental, will become full-time Executive Chairman, and that Stephen I. Chazen, the President and Chief Operating Officer of the Company, will become Chief Executive Officer, in each case effective at the May 2011 Annual Meeting of Stockholders.

A copy of the press release of Occidental with respect to the succession plan is attached as Exhibit 99.2 and is incorporated herein by reference.

Compensatory Arrangements of Certain Officers.

On October 13, 2010, the Executive Compensation and Human Resources Committee (the “Committee”) of the Board of Directors of Occidental approved a new executive long-term incentive compensation program. The new program does not change other components of the annual compensation program (salary, bonus and other). However, to reflect Mr Chazen’s recent appointment as Chief Operating Officer, his annual salary will increase effective November 1, 2010 to \$1,000,000; and Dr. Irani’s annual salary will be restored effective November 1, 2010 to \$1,300,000, which was his salary before taking a voluntary salary reduction that was effective January 1, 2009.

Pursuant to the new program, the Committee authorized grants of incentive awards under the Company’s 2005 Long-Term Incentive Plan to the executive officers named in the Company’s 2010 Proxy Statement and other employees. The named executive officers received awards that are intended to qualify for tax deductibility under Section 162(m) of the Internal Revenue Code. The awards link the greatest portion of the executives’ potential compensation to the Company’s performance over specified future performance periods. Each named officer received a Restricted Stock Incentive award and a Total Shareholder Return Incentive award. The forms of award agreements are attached as Exhibits 10.1 and 10.2. Under the new program, return on equity incentive awards will not be granted. However, the return on equity awards granted in prior years will be reported, to the extent their respective performance targets are achieved, in the summary compensation table in future proxy statements.

The Restricted Stock Incentive award is a grant of shares of the Company’s common stock that will vest on October 12, 2013, but will be forfeitable, unless and until, the Company has reported cumulative Net Income of ten billion dollars (\$10,000,000,000) on or after the vesting date. The net income threshold must be reached by September 30, 2017, or the shares will be forfeited in their entirety.

The Total Shareholder Return Incentive award is denominated in performance shares, each of which is equal to one share of common stock. The number of shares received at the end of the three-year performance period, which runs from October 13, 2010 through October 12, 2013, will depend on a peer company comparison of total shareholder return. In addition to Occidental, the peer companies are: Anadarko Petroleum Corporation, Apache Corporation, Canadian Natural Resources Limited, Chevron Corporation, ConocoPhillips, Devon Energy Corporation, EOG Resources, Inc., ExxonMobil Corporation, Hess Corporation, Marathon Oil Corporation and Royal Dutch Shell plc. Depending on the Company’s total stockholder return compared to the total stockholder returns of its peers, the grantee will receive a payout ranging from 0 percent to 100 percent of the maximum number of performance shares, as follows:

Total Shareholder Return Ranking	Payout as a % of Maximum
1 st	100%
2 nd	85%
3 rd	70%
4 th	60%
5 th	50%
6 th	40%
7 th	30%
8 th	20%
9 th	10%
10 th	0%
11 th	0%
12 th	0%

The award will be payable 50 percent in shares of the Company’s common stock and 50 percent in cash; provided, however, that if the Company’s total shareholder return does not exceed the total shareholder return of the S&P 500 Index for the same period, the Grantee’s right to receive shares and cash in excess of 50% of the performance shares will be forfeited. To receive payout of 100% of the performance shares, Occidental would have to achieve the highest total shareholder return of the peer companies and out-perform the S&P 500 Index. At the end of the performance period, dividend equivalents will be paid with respect to the performance shares earned (including any portion paid in cash) in an amount equal to the dividends declared per share of common stock during the performance period.

Payout for the Restricted Stock Incentive and Total Shareholder Return Incentive awards depends on the grantee remaining employed throughout the applicable service or performance period. However, if the grantee dies, becomes disabled, retires or is terminated for the convenience of the Company during the performance or service period, then the grantee will forfeit the right to receive a pro rata portion of the payout based on the days remaining in the performance or service period after such event. If the grantee is terminated for cause or terminates voluntarily, the award agreement will automatically terminate on the termination date and the grantee will forfeit the right to receive any payout under the award. In the event of a Change in Control event (as defined in the Company’s 2005 Long-Term Incentive Plan), the Restricted Stock Incentive award will vest pro rata, the Total Shareholder Return Incentive award will vest pro rata calculated with respect to 50% of the performance shares and both awards will become non-forfeitable.

Named executive officers are required to retain beneficial ownership of 50% of the net after-tax shares received pursuant to the Restricted Stock Incentive and the Total Shareholder

Return Incentive awards for three years following the date such shares are vested and become non-forfeitable.

The Committee set incentive award values for each of the named executive officers who were employed by the Company on the grant date, Dr. Irani and Messrs. Chazen, de Brier and Albrecht, and apportioned the amount between the Total Shareholder Return Incentive award and the Restricted Stock Incentive award, as follows:

Named Executive Officer/Title	TSRI Award (Maximum No. of performance shares)	Restricted Stock (No. of shares)
Dr. Ray R. Irani, Chairman of the Board and Chief Executive Officer	237,277	59,320
Stephen I. Chazen, President and Chief Operating Officer	189,821	47,456
Donald P. de Brier, Executive Vice President, General Counsel and Secretary	75,929	18,983
William E. Albrecht, Vice President and President, Oxy Oil & Gas- U.S.	66,438	16,610

The new executive long-term incentive compensation program was developed with the advice of Pearl Meyer & Partners as well as input from Company stockholders and their representatives and as part of a settlement of certain derivative litigation.

A copy of the press release of Occidental with respect to the foregoing changes to its executive compensation is attached as Exhibit 99.3 and is incorporated herein by reference.

Item 5.03. Amendments to Bylaws.

Effective October 13, 2010, the Board of Directors of Occidental amended the By-laws of the Corporation to replace the current plurality vote and director resignation provisions with majority vote and director resignation provisions that require acceptance of the resignation of a director who fails to get a majority vote by no later than October 31 of the year of the election. The By-laws, as amended, are attached as Exhibit 3(ii).

Section 8 — Other Events

Item 8.01 Other Events.

On October 13, 2010, the Board of Directors of Occidental approved new governance provisions concerning among other things, succession planning, compensation and board representation and a time schedule for implementing them as set forth on Exhibits 99.4 and 99.5. Exhibits 99.4 and 99.5 were the products of discussions between members of the Board of Directors and representatives of the California State Teachers Retirement System and Relational Investors LLC, both of whom are investors in Occidental, and among the parties to the shareholder action entitled, *Resnik v. Abraham, et.al*, respectively. As described in Items 5.02 and 5.03, the Board of Directors has already taken steps to implement many of the provisions of such Exhibits.

Section 9 — Financial Statements and Exhibits

Item 9.01. Financial Statements and Exhibits

(d) Exhibits

- 3.(ii) By-laws of Occidental, as amended through October 13, 2010.
- 10.1 Occidental Petroleum Corporation 2005 Long-Term Incentive Plan, as amended through October 13, 2010.
- 10.2 Occidental Petroleum Corporation 2005 Long-Term Incentive Plan Restricted Stock Incentive Award Terms and Conditions.
- 10.3 Occidental Petroleum Corporation 2005 Long-Term Incentive Plan Total Shareholder Return Incentive Award Terms and Conditions (Equity-based, Equity and Cash-settled Award).
- 99.1 Press Release dated October 14, 2010.

- 99.2 Press Release dated October 14, 2010.
- 99.3 Press Release dated October 14, 2010.
- 99.4 Term Sheet, dated October 13, 2010, between Occidental Petroleum Corporation and the California State Teachers Retirement System and Relational Investors LLC.
- 99.5 Memorandum of Understanding, dated October 13, 2010, with respect to *Resnik v. Abraham, et.al.*

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SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

OCCIDENTAL PETROLEUM CORPORATION
(Registrant)

DATE: October 14, 2010

/s/ Roy Pineci

Roy Pineci, Vice President, Controller and Principal Accounting Officer

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EXHIBIT INDEX

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**BY-LAWS
OF
OCCIDENTAL PETROLEUM CORPORATION
(hereinafter called the "Corporation")**

ARTICLE I

OFFICES

SECTION 1. *Registered Office.* The registered office of the Corporation shall be in the State of Delaware.

SECTION 2. *Other Offices.* The Corporation may also have offices at such other places both within and without the State of Delaware as the Board of Directors may from time to time determine.

ARTICLE II

MEETING OF STOCKHOLDERS

SECTION 1. *Place and Conduct of Meetings.* Meetings of the stockholders for the election of directors or for the transaction of only such other business as may properly be brought before the meeting in accordance with these By-laws shall be held at such time and place, either within or without the State of Delaware, as shall be designated from time to time by the Board of Directors and stated in the notice of the meeting or in a duly executed waiver of notice thereof. The Chairman of such meetings shall have plenary power and authority with respect to all matters relating to the conduct thereof including, without limitation, the authority to limit the amount of time which may be taken by any stockholder or stockholders, the authority to appoint and be advised by a parliamentarian, and the authority to appoint and to instruct a sergeant or sergeants at arms.

SECTION 2. *Annual Meetings.* The Annual Meetings of Stockholders shall be held on such date and at such time as shall be designated from time to time by the Board of Directors and stated in the notice of the meeting, for the purpose of electing directors and for the transaction of only such other business as may properly be brought before the meeting in accordance with these By-laws.

To be properly brought before the Annual Meeting, business must be either (a) specified in the notice of Annual Meeting (or any supplement thereto) given by or at the direction of the Board of Directors, (b) otherwise properly brought before the Annual Meeting by or at the direction of the Board of Directors, or (c) otherwise properly brought before the Annual Meeting by a stockholder of the Corporation (i) who is a stockholder of record on the date of the giving of the notice provided for in this *Section 2* and on the record date for the determination of stockholders entitled to vote at such Annual Meeting and (ii) who complies with the notice procedures set forth in this *Section 2*.

In addition to any other applicable requirements, for business to be properly brought before an Annual Meeting by a stockholder, the stockholder must have given timely notice thereof in proper written form to the Secretary of the Corporation.

To be timely, a stockholder's notice must be delivered to or mailed to and received at the principal executive offices of the Corporation, not less than seventy (70) days nor more than ninety (90) days prior to the anniversary date of the immediately preceding Annual Meeting; *provided, however*, that in the event that the Annual Meeting is called for a date that is not within thirty (30) days before or after such anniversary date, notice by the stockholder to be timely must be so received not later than the close of business on the tenth (10th) day following the day on which such notice of the date of the Annual Meeting was mailed or such public disclosure was made, whichever first occurs. In no event shall the public

announcement of an adjournment of an Annual Meeting commence a new time period for the giving of a stockholder's notice as described above.

To be in proper written form, a stockholder's notice to the Secretary shall set forth as to each matter the stockholder proposes to bring before the Annual Meeting (i) a brief description of the business desired to be brought before the Annual Meeting, the reasons for conducting such business at the Annual Meeting and any material interest in such business of the stockholder and the beneficial owner, if any, on whose behalf the proposal is made, (ii) the name and record address of the stockholder proposing such business, (iii) the class, series and number of shares of the Corporation which are beneficially owned by the stockholder, (iv) a description of all arrangements or understandings between the stockholder and any other person or persons (including their names) in connection with such business, (v) whether the stockholder or the beneficial owner, if any, intends or is part of a group which intends to distribute proxy materials, and (vi) a representation that the stockholder intends to appear, in person or by another person authorized in accordance with the General Corporation Law of the State of Delaware to act as proxy for the stockholder, at the Annual Meeting to present such business.

Notwithstanding anything in the By-laws to the contrary, no business shall be conducted at the Annual Meeting except in accordance with the procedures set forth in this *Section 2*; *provided, however*, that nothing in this *Section 2* shall be deemed to preclude discussion by any stockholder of any business properly brought before the Annual Meeting.

The Chairman of an Annual Meeting shall, if the facts warrant, determine and declare to the Annual Meeting that business was not properly brought before the Annual Meeting in accordance with the provisions of this *Section 2*, and if he should so determine, he shall so declare to the Annual Meeting and any such business not properly brought before the Annual Meeting shall not be transacted.

Written notice of the Annual Meeting stating the place, date and hour of the Annual Meeting shall be given to each stockholder entitled to vote at such meeting not less than ten (10) nor more than sixty (60) days before the date of the meeting.

SECTION 3. *Special Meetings.* Unless otherwise prescribed by law or by the Certificate of Incorporation, Special Meetings of Stockholders, for any purpose or purposes, may be called by the Board of Directors or the Chairman of the Board. Subject to subsections (a) - (d) of this Article II, Section 3, a Special Meeting of Stockholders shall be called by the Secretary upon the written request of the record holders of at least 25% of the outstanding common

stock of the Corporation (the "Requisite Percent"). Written notice of a Special Meeting stating the place, date and hour of the meeting and the purpose or purposes for which the meeting is called shall be given not less than ten nor more than sixty days before the date of the meeting to each stockholder entitled to vote at such meeting.

- (a) In order for a Stockholder Requested Special Meeting (as defined in this By-law) to be called, one or more requests for a Special Meeting must be signed by the Requisite Percent of record holders (or their duly authorized agents) and delivered to the Secretary (each, a "Special Meeting Request," collectively, the "Special Meeting Requests"). The Special Meeting Request(s) shall be sent to the Secretary at the principal executive offices of the Corporation by registered mail, return receipt requested. The Special Meeting Request(s) shall (i) set forth a statement of the specific purpose(s) of the meeting, the matters proposed to be acted on at the meeting and the reasons for conducting such business at the Special Meeting, (ii) bear the date of signature of each such stockholder (or duly authorized agent) signing the Special Meeting Request(s), (iii) set forth (A) the name and address, as they appear in the Corporation's stock ledger, of each stockholder signing such request (or on whose behalf the Special Meeting Request is signed), and (B) the class, if applicable, and number of shares of stock of the Corporation that are owned of record and beneficially by each such stockholder, (iv) set forth any material interest of each stockholder in the business desired to be brought before the Special Meeting, (v) set forth all information relating to each such stockholder that must be disclosed in solicitations of proxies for election of directors in an election contest (even if an election contest is not involved), or is otherwise required, in each case pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended (the

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"Exchange Act"), and Rule 14a-11 thereunder and (vi) contain the information, if applicable, which shall be set forth in a stockholder's notice as required by Article II, Section 2 of these By-laws. A stockholder may revoke his, her or its request for a Special Meeting at any time by written revocation delivered to the Secretary.

- (b) The Secretary shall not be required to call a Special Meeting upon stockholder request (a "Stockholder Requested Special Meeting") if (i) the Special Meeting Request(s) relates to an item of business that is not a proper subject for stockholder action under applicable law, or (ii) the Board of Directors has called or calls for an annual or special meeting of stockholders to be held not later than ninety (90) days after the Secretary's receipt of the Special Meeting Request(s) and the purpose(s) of such meeting include the purpose(s) specified in the Special Meeting Request(s), with such determination being made in good faith by the Board of Directors.
- (c) A Stockholder Requested Special Meeting shall be held at such date, time and place within or without the State of Delaware as may be fixed by the Board of Directors; provided, however, that the date of any Stockholder Requested Special Meeting shall be not more than ninety (90) days after the Secretary's receipt of the properly submitted Special Meeting Request(s).
- (d) Business transacted at any Stockholder Requested Special Meeting shall be limited to the purpose(s) stated in the Special Meeting Request(s); provided, however, that nothing herein shall prohibit the Board from submitting matters to the stockholders at any Stockholder Requested Special Meeting.

SECTION 4. *Quorum.* Except as otherwise provided by law or by the Certificate of Incorporation, the holders of a majority of the capital stock issued and outstanding and entitled to vote thereat, present in person or represented by proxy, shall constitute a quorum at all meetings of the stockholders for the transaction of business. If, however, such quorum shall not be present or represented at any meeting of the stockholders, the stockholders entitled to vote thereat, present in person or represented by proxy, shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally noticed. If the adjournment is for more than thirty days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each stockholder entitled to vote at the meeting.

SECTION 5. *Voting.* Unless otherwise required by law, the Certificate of Incorporation or these By-laws, any question brought before any meeting of stockholders shall be decided by the affirmative vote of a majority of the shares present in person or by proxy at the meeting for the purposes of determining the presence of a quorum at such meeting. Unless otherwise provided in the Certificate of Incorporation, each stockholder represented at a meeting of stockholders shall be entitled to cast one vote for each share of the capital stock entitled to vote thereat held by such stockholder. Such votes may be cast in person or by proxy but no proxy shall be voted on or after three years from its date, unless such proxy provides for a longer period. No vote at any meeting of stockholders need be by written ballot unless the Board of Directors, in its discretion, or the officer of the Corporation presiding at the meeting, in his discretion, specifically directs the use of a written ballot.

SECTION 6. *List of Stockholders Entitled to Vote.* The officer of the Corporation who has charge of the stock ledger of the Corporation shall prepare and make, at least ten days before every meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting, arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, during ordinary business hours, for a period of at least ten days prior to the meeting, either at a place within the city where the meeting is to be held, which place shall be specified in the notice of the meeting, or, if not so specified, at the place where the meeting is to be held. The list shall also be produced and kept at the time and place of the meeting during the whole time thereof, and may be inspected by any stockholder of the Corporation who is present.

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SECTION 7. *Stock Ledger.* The stock ledger of the Corporation shall be the only evidence as to who are the stockholders entitled to examine the stock ledger, the list required by Section 6 of this Article II or the books of the Corporation, or to vote in person or by proxy at any meeting of stockholders.

SECTION 8. *Voting Procedures and Inspectors of Election.* The corporation shall, in advance of any meeting of stockholders, appoint one or more inspectors to act at the meeting and make a written report thereof. The corporation may designate one or more persons as alternate inspectors to replace any inspector who fails to act. If no inspector or alternate is able to act at a meeting of stockholders, the person presiding at the meeting shall appoint one or more inspectors to act at the meeting. Each inspector, before entering upon the discharge of his duties, shall take and sign an oath faithfully to execute the duties of inspector with strict impartiality and according to the best of his ability.

The inspectors shall (i) ascertain the number of shares outstanding and the voting power of each, (ii) determine the shares represented at a meeting and the validity of proxies and ballots, (iii) count all votes and ballots, (iv) determine and retain for a reasonable period a record of the disposition of any challenges made to any determination by the inspectors, and (v) certify their determination of the number of shares represented at the meeting, and their count of all votes and ballots. The inspectors may appoint or retain other persons or entities to assist the inspectors in the performance of the duties of the inspectors.

The date and time of the opening and the closing of the polls for each matter upon which the stockholders will vote at a meeting shall be announced at the meeting.

ARTICLE III

DIRECTORS

SECTION 1. *Number and Election of Directors.* Subject to the rights, if any, of holders of preferred stock issued by the Corporation to elect directors of the Corporation, the Board of Directors shall consist of one or more directors, the number of which shall be fourteen (14) until changed by resolution duly adopted by the Board of Directors from time to time. Except as provided in Section 3 of this Article III and subject to Section 12 of this Article III, directors shall be elected by a majority of the votes cast at Annual Meetings of Stockholders and each director so elected shall hold office until his successor is duly elected and qualified, or until his earlier death, disqualification, resignation or removal. No person shall be eligible for election as a director of the Corporation who shall have reached the age of seventy-five (75) at the date of such election, unless such requirement shall have been unanimously waived by the members of the Corporate Governance, Nominating and Social Responsibility Committee and such Committee's action shall have been ratified and approved by a majority of the disinterested directors on the Board of Directors. Directors need not be stockholders.

SECTION 2. *Nominations of Directors.* Only persons who are nominated in accordance with the following procedures shall be eligible for election as directors, except as may be otherwise provided in the Certificate of Incorporation of the Corporation with respect to the right of holders of preferred stock of the Corporation to nominate and elect a specified number of directors in certain circumstances. Nominations of persons for election to the Board of Directors of the Corporation may be made at any Annual Meeting (a) by or at the direction of the Board of Directors (or any duly authorized committee thereof) or (b) by any stockholder of the Corporation (i) who is a stockholder of record on the date of the giving of the notice provided for in this *Section 2* and on the record date for the determination of stockholders entitled to vote at the Annual Meeting and (ii) who complies with the notice procedures set forth in this *Section 2*.

In addition to any other applicable requirements, for a nomination to be made by a stockholder, the stockholder must have given timely notice thereof in proper written form to the Secretary of the Corporation.

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To be timely, a stockholder's notice to the Secretary must be delivered to or mailed and received at the principal executive offices of the Corporation between September 1 and November 30 of the year preceding the Annual Meeting. To be in proper written form, a stockholder's notice to the Secretary must set forth (a) as to each person whom the stockholder proposes to nominate for election or re-election as a director, (i) the name, age, business address and residence address of the person, (ii) principal occupation or employment of the person, (iii) the class or series and number of shares of capital stock of the Corporation which are owned beneficially or of record by the person, and (iv) any other information relating to the person that is required to be disclosed in solicitations for proxies for election of directors pursuant to the Rules and Regulations of the Securities and Exchange Commission under Section 14 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and (b) as to the stockholder giving the notice, (i) the name and record address of such stockholder, (ii) the class or series and number of shares of capital stock of the Corporation which are beneficially owned by the stockholder, (iii) a description of all arrangements or understandings between the stockholder or the beneficial owner, if any, on whose behalf the nomination is made and each proposed nominee and any other person or persons (including their names) pursuant to which the nominations are to be made by such stockholder, (iv) whether the stockholder or the beneficial owner, if any, intends or is part of a group which intends to distribute proxy materials, (v) a representation that the stockholder intends to appear, in person or by another person authorized in accordance with the General Corporation Law of the State of Delaware to act as proxy for the stockholder, at the Annual Meeting to nominate the persons named in the stockholder's notice, and (vi) any other information relating to the person that is required to be disclosed in solicitations for proxies for election of directors pursuant to the Rules and Regulations of the Securities and Exchange Commission under Section 14 of the Exchange Act. Such notice must be accompanied by a written consent of each proposed nominee to being named as a nominee and to serve as a director if elected.

No person shall be eligible for election as a director of the Corporation unless nominated in accordance with the procedures set forth in this *Section 2*. If the Chairman of the Annual Meeting determines that a nomination was not made in accordance with the foregoing procedure, the Chairman shall declare to the meeting that the nomination was defective and the defective nomination shall be disregarded.

SECTION 3. *Vacancies.* Any newly created directorship resulting from an increase in the number of directors or any other vacancy on the Board of Directors may be filled by a majority of the Board of Directors then in office, even if less than a quorum, or by a sole remaining director. Any director elected to fill a newly created directorship resulting from an increase in the number of directors or any other vacancy shall hold office for a term that shall expire at the next Annual Meeting of Stockholders.

SECTION 4. *Duties and Powers.* The business of the Corporation shall be managed by or under the direction of the Board of Directors which may exercise all such powers of the Corporation and do all such lawful acts and things as are not by statute or by the Certificate of Incorporation or by these By-laws directed or required to be exercised or done by the stockholders.

SECTION 5. *Meetings.* The Board of Directors of the Corporation may hold meetings, both regular and special, either within or without the State of Delaware. Regular meetings of the Board of Directors may be held without notice at such time and at such place as may from time to time be determined by the Board of Directors. Special meetings of the Board of Directors may be called by the Chairman, if there be one, the President, or any three directors. Notice thereof stating the place, date and hour of the meeting shall be given to each director either by mail not less than forty-eight hours before the date of the meeting, by telephone, telegram or telecopy on twenty-four hours notice, or on such shorter notice as the person or persons calling such meeting may deem necessary or appropriate in the circumstances.

SECTION 6. *Quorum.* Except as may be otherwise specifically provided by law, at all meetings of the Board of Directors or of any committee thereof, a majority of the members of the entire Board of Directors or of the said committee shall constitute a quorum for the transaction of business; and the

act of a majority of the directors or members of the committee present at any meeting at which there is a quorum shall be the act of the Board of Directors or of the said committee, as the case may be. A meeting at which a quorum is initially present may continue to transact business notwithstanding the withdrawal of directors

or members of the committee if any action taken is approved by at least a majority of the required quorum for that meeting. If a quorum shall not be present at any meeting of the Board of Directors or of any committee thereof, the directors or members of the committee present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

SECTION 7. *Actions of Board.* Any action required or permitted to be taken at any meeting of the Board of Directors or of any committee thereof may be taken without a meeting, if all the members of the Board of Directors or committee, as the case may be, consent thereto in writing, and the writing or writings are filed with the minutes of proceedings of the Board of Directors or committee.

SECTION 8. *Meetings by Means of Conference Telephone.* Members of the Board of Directors of the Corporation, or any committee designated by the Board of Directors, may participate in a meeting of the Board of Directors or such committee by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting pursuant to this Section 8 shall constitute presence in person at such meeting.

SECTION 9. *Committees.* The Board of Directors may designate one or more committees, each committee to consist of one or more of the directors of the Corporation. The Board of Directors may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of any such committee. In the absence or disqualification of a member of a committee, and in the absence of a designation by the Board of Directors of an alternate member to replace the absent or disqualified member, the member or members thereof present at any meeting and not disqualified from voting, whether or not he or they constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in the place of any absent or disqualified member. Any committee, to the extent allowed by law and provided in the resolution establishing such committee, shall have and may exercise all the powers and authority of the Board of Directors in the management of the business and affairs of the Corporation. Meetings of any committee may be called by the Chairman of such committee, if there be one, or by any two members thereof other than such Chairman. Notice thereof stating the place, date and hour of the meeting shall be given to each member by mail not less than forty-eight hours before the date of the meeting; by telephone, telegram or teletype on twenty-four hours notice; or on such shorter notice as the person or persons calling such meeting may deem necessary or appropriate in the circumstances. Each committee shall keep regular minutes and report to the Board of Directors when required.

SECTION 10. *Compensation.* The directors may be paid their expenses, if any, of attendance at each meeting of the Board of Directors and may be paid a fixed sum for attendance at each meeting of the Board of Directors and/or a stated annual fee as a director. No such payment shall preclude any director from serving the Corporation in any other capacity and receiving compensation therefor. Members of special or standing committees may be allowed like compensation for attending committee meetings.

SECTION 11. *Interested Directors.* No contract or transaction between the Corporation and one or more of its directors or officers, or between the Corporation and any other corporation, partnership, association, or other organization in which one or more of its directors or officers are directors or officers, or have a financial interest, shall be void or voidable solely for this reason, or solely because the director or officer is present at or participates in the meeting of the Board of Directors or committee thereof which authorizes the contract or transaction, or solely because his or their votes are counted for such purpose if (i) the material facts as to his or their relationship or interest and as to the contract or transaction are disclosed or are known to the Board of Directors or the committee, and the Board of Directors or committee in good faith authorizes the contract or transaction by the affirmative votes of a majority of the disinterested directors, even though the disinterested directors be less than a quorum; or (ii) the material facts as to his or their relationship or interest and as to the contract or transaction are disclosed or are known to the stockholders entitled to vote thereon, and the contract or transaction is specifically approved in good faith by vote of the stockholders; or (iii) the contract or transaction is fair as to the Corporation as of the time it is authorized, approved or ratified by the Board of Directors, a committee thereof or the stockholders. Common or interested directors may be counted in determining the presence of a quorum at a meeting of the Board of Directors or of a committee which authorizes the contract or transaction.

SECTION 12. *Resignation of Directors.* In an uncontested election, any nominee for director who receives a greater number of votes "against" from his or her election than votes "for" such election (a "Majority Against Vote") shall promptly tender his or her resignation following certification of the stockholder vote by the Inspector of Elections. Unless accepted earlier by the Board of Directors, such resignation shall become effective on October 31st of the year of the election.

Notwithstanding the obligation to resign for a Majority Against Vote, any director may resign at any time for any other reason. In such instance, the resignation shall be effective upon giving written notice to the Secretary, unless the notice specifies a later time for such resignation to become effective, and no action shall be required by the Board of Directors for the resignation to become effective. If the resignation of a director is effective at a future time, the Board of Directors may elect a successor prior to such effective time to take office when such resignation becomes effective.

ARTICLE IV

OFFICERS

SECTION 1. *General.* The officers of this Corporation shall be chosen by the Board of Directors and shall be a Chairman of the Board, who shall be the Chief Executive Officer, any number of Vice Chairmen, a President, a Senior Operating Officer, any number of Executive Vice Presidents, one or more of whom may be designated Senior Executive Vice President, any number of Vice Presidents with such rank as the Board of Directors may designate, a Secretary, any number of Assistant Secretaries, a Treasurer, and any number of Assistant Treasurers. One of such Executive Vice Presidents or Vice Presidents shall be designated Chief Financial Officer and shall have responsibility, subject to the direction of the Board of Directors, the Chairman of the Board and the President, for the management of the Corporation's financial affairs. Any number of offices may be held by the same person, unless otherwise

prohibited by law, the Certificate of Incorporation or these By-laws. The officers of the Corporation need not be stockholders of the Corporation nor, except in the case of the Chairman of the Board of Directors, need such officers be directors of the Corporation.

SECTION 2. *Election.* The Board of Directors at its first meeting held after each Annual Meeting of Stockholders shall elect the officers of the Corporation who shall hold their offices for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the Board of Directors; and all officers of the Corporation shall hold office until their successors are chosen and qualified, or until their earlier resignation or removal. Any officer elected by the Board of Directors may be removed at any time by the affirmative vote of a majority of the Board of Directors. Any vacancy occurring in an office of the Corporation shall be filled by the Board of Directors.

SECTION 3. *Remuneration.* The Board of Directors shall have the power to fix and determine the salaries and other remuneration, and the terms and conditions thereof, of all executive officers of the Corporation.

SECTION 4. *Chairman of the Board of Directors.* The Chairman of the Board of Directors shall preside at all meetings of the stockholders and of the Board of Directors and the Executive Committee, if any, shall have general and active management of the business and affairs of the Corporation, shall have plenary power to issue orders and instructions to all officers and employees of the Corporation, and shall see that all orders and resolutions of the Board of Directors and the Executive Committee, if any, are carried into effect. He shall be the Chief Executive Officer of the Corporation, and except where by law the signature of the President is required, the Chairman of the Board of Directors shall possess the power to enter into and sign all contracts, certificates and other instruments of the Corporation, and shall have the power to delegate any portion of his authority under these By-laws to any other officer of the Corporation. During the absence or disability of the President, the Chairman of the Board of Directors shall exercise all the powers and discharge all the duties of the President. The Chairman of the Board of Directors shall also

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perform such other duties and may exercise such other powers as from time to time may be assigned to him by these By-laws or by the Board of Directors.

SECTION 5. *Vice Chairmen of the Board of Directors.* The Vice Chairman of the Board of Directors or Vice Chairmen of the Board of Directors, if there is more than one (in the order designated by the Board of Directors), shall perform such duties and may exercise such powers as from time to time may be assigned to him by the Board of Directors or the Chairman of the Board of Directors.

SECTION 6. *President.* The President shall perform such duties and have such powers as the Board of Directors or the Chairman of the Board may from time to time prescribe. In the absence or disability of the Chairman of the Board of Directors, or if there be none, the President shall preside at all meetings of the stockholders and the Board of Directors. If there be no Chairman of the Board of Directors, the President shall be the Chief Executive Officer of the Corporation. The President shall also perform such other duties and may exercise such other powers as from time to time may be assigned to him by these By-laws, by the Board of Directors or by the Chairman of the Board of Directors.

SECTION 7. *Senior Operating Officer.* The Senior Operating Officer shall perform such duties and have such powers as are prescribed for Executive Vice Presidents and Vice Presidents under these By-laws and under any resolution of the Board of Directors and shall perform such additional duties and have such additional powers as the Board of Directors or the Chairman of the Board of Directors may from time to time prescribe. The Senior Operating Officer shall also perform such other duties and may exercise such other powers as from time to time may be assigned to him by these By-laws, by the Board of Directors, or by the Chairman of the Board of Directors.

SECTION 8. *Executive Vice Presidents and Vice Presidents.* At the request of the President or in his absence or in the event of his inability or refusal to act (and if there be no Chairman of the Board of Directors), the Executive Vice Presidents and Vice Presidents (in the order designated by the Board of Directors) shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President. Each Vice President shall perform such other duties and have such other powers as the Board of Directors or the Chairman of the Board of Directors from time to time may prescribe. If there be no Chairman of the Board of Directors and no Vice President, the Board of Directors shall designate the officer of the Corporation who, in the absence of the President or in the event of the inability or refusal of the President to act, shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President.

SECTION 9. *Secretary.* The Secretary shall attend all meetings of the Board of Directors and all meetings of stockholders and record all the proceedings thereat in a book or books to be kept for that purpose; the Secretary shall also perform like duties for the standing committees of the Board of Directors when required. The Secretary shall give, or cause to be given, notice of all meetings of the stockholders and special meetings of the Board of Directors, and shall perform such other duties as may be prescribed by the Board of Directors or the Chairman of the Board of Directors, under whose supervision he shall be. If the Secretary shall be unable or shall refuse to cause to be given notice of all meetings of the stockholders and special meetings of the Board of Directors, and if there be no Assistant Secretary, then either the Board of Directors or the President may choose another officer to cause such notice to be given. The Secretary shall have custody of the seal of the Corporation and the Secretary or any Assistant Secretary, if there be any, shall have authority to affix the same to any instrument requiring it, and when so affixed, it may be attested by the signature of the Secretary or by the signature of any such Assistant Secretary. The Board of Directors may give general authority to any other officer to affix the seal of the Corporation and to attest the affixing by his signature. The Secretary shall see that all books, reports, statements, certificates and other documents and records required by law to be kept or filed are properly kept or filed, as the case may be.

SECTION 10. *Treasurer.* Subject to the direction of the Chief Financial Officer, the Treasurer shall have the custody of the corporate funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Corporation and shall deposit all moneys and other valuable effects in the name and to the credit of the Corporation in such depositories as may be designated

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by the Board of Directors. The Treasurer shall disburse the funds of the Corporation as may be ordered by the Board of Directors, taking proper vouchers for such disbursements, and shall render to the Chairman of the Board and the Board of Directors, at its regular meetings, or when the Board of Directors so requires, an account of all his transactions as Treasurer and of the financial condition of the Corporation. If required by the Board of Directors, the Treasurer shall give the Corporation a bond in such sum and with such surety or sureties as shall be satisfactory to the Board of Directors for the faithful performance of

the duties of his office and for the restoration to the Corporation, in case of his death, resignation, retirement or removal from office, of all books, papers, vouchers, money and other property of whatever kind in his possession or under his control belonging to the Corporation.

SECTION 11. *Assistant Secretaries.* Except as may be otherwise provided in these By-laws, Assistant Secretaries, if there be any, shall perform such duties and have such powers as from time to time may be assigned to them by the Board of Directors, the Chairman of the Board of Directors, the President, any Vice President, if there be any, or the Secretary, and in the absence of the Secretary or in the event of his disability or refusal to act, shall perform the duties of the Secretary, and when so acting, shall have all the powers of and be subject to all the restrictions upon the Secretary.

SECTION 12. *Assistant Treasurers.* Assistant Treasurers, if there be any, shall perform such duties and have such powers as from time to time may be assigned to them by the Board of Directors, the Chairman of the Board of Directors, the President, any Vice President, if there be any, or the Treasurer, and in the absence of the Treasurer or in the event of his disability or refusal to act, shall perform the duties of the Treasurer, and when so acting, shall have all the powers of and be subject to all the restrictions upon the Treasurer. If required by the Board of Directors, an Assistant Treasurer shall give the Corporation a bond in such sum and with such surety or sureties as shall be satisfactory to the Board of Directors for the faithful performance of the duties of his office and for the restoration to the Corporation, in case of his death, resignation, retirement or removal from office, of all books, papers, vouchers, money and other property of whatever kind in his possession or under his control belonging to the Corporation.

SECTION 13. *Other Officers.* Such other officers as the Board of Directors may choose shall perform such duties and have such powers as from time to time may be assigned to them by the Board of Directors. The Board of Directors may delegate to any other officer of the Corporation the power to choose such other officers and to prescribe their respective duties and powers.

SECTION 14. *Officers of Divisions.* The officers of divisions of the Corporation shall perform such duties and may exercise such powers as the Chairman of the Board may from time to time prescribe.

ARTICLE V

STOCK

SECTION 1. *Uncertificated Shares.* Effective April 25, 2003, the shares of Common Stock of the Corporation shall be uncertificated. Notwithstanding that the shares of Common Stock of the corporation shall be uncertificated, every holder of stock of any class or series in the Corporation shall be entitled to have a certificate signed by, or in the name of the Corporation (i) by the Chairman or Vice Chairman of the Board of Directors, or the President, an Executive Vice President or a Vice President and (ii) by the Treasurer or an Assistant Treasurer, or the Secretary or an Assistant Secretary of the Corporation, representing the number of shares registered in certificate form.

SECTION 2. *Signatures.* Where a certificate is countersigned by (i) a transfer agent other than the Corporation or its employee, or (ii) a registrar other than the Corporation or its employee, any other signature on the certificate may be a facsimile. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent or registrar before such certificate is issued, it may be issued by the Corporation with the same effect as if he were such officer, transfer agent or registrar at the date of issue.

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SECTION 3. *Lost, Stolen or Destroyed Certificates.* The Board of Directors may direct a new certificate to be issued in accordance with Section 1 of this Article V in place of any certificate theretofore issued by the Corporation alleged to have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the person claiming the certificate of stock to be lost, stolen or destroyed. When authorizing such issue of a new certificate, the Board of Directors may, in its discretion and as a condition precedent to the issuance thereof, require the owner of such lost, stolen or destroyed certificate, or his legal representative, to advertise the same in such manner as the Board of Directors shall require and/or to give the Corporation a bond in such sum as it may direct as indemnity against any claim that may be made against the Corporation with respect to the certificate alleged to have been lost, stolen or destroyed.

SECTION 4. *Transfers.* Stock of the Corporation shall be transferable in the manner prescribed by law and in these By-laws. Transfers of stock shall be made on the books of the Corporation (i) in the case of uncertificated shares, only by the person named in the stock register of the Corporation, by an attorney lawfully constituted in writing by such person or by any other representative of such person acceptable to the Corporation, and (ii) in the case of shares registered in certificate form, only by the person named in the certificate, by an attorney lawfully constituted in writing by such person or by any other representative of such person acceptable to the Corporation and upon the surrender of the certificate therefor, which shall be cancelled before a new certificate shall be issued in accordance with Section 1 of this Article V.

SECTION 5. *Record Date.* In order that the Corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, or entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock, or for the purpose of any other lawful action, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors, and which record date shall not be more than sixty days nor less than ten days before the date of such meeting, nor more than sixty days prior to any other action. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting, provided, however, that the Board of Directors may fix a new record date for the adjourned meeting.

SECTION 6. *Beneficial Owners.* The Corporation shall be entitled to recognize the exclusive right of a person registered on its books as the owner of shares to receive dividends, and to vote as such owner, and to hold liable for calls and assessments a person registered on its books as the owner of shares, and shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of any other person, whether or not it shall have express or other notice thereof, except as otherwise provided by law.

ARTICLE VI

NOTICES

SECTION 1. *Notices.* Whenever written notice is required by law, the Certificate of Incorporation or these By-laws, to be given to any director, member of a committee or stockholder, such notice may be given by mail, addressed to such director, member of a committee or stockholder, at his address as it appears on the records of the Corporation, with postage thereon prepaid, and such notice shall be deemed to be given at the time when the same shall be

deposited in the United States mail. Written notice may also be given personally or by telegram, telex or cable or by facsimile or other electronic transmission. Notice given by any such means shall be deemed to have been given at the time delivered, sent or transmitted.

SECTION 2. *Waivers of Notice.* Whenever any notice is required by law, the Certificate of Incorporation or these By-laws, to be given to any director, member of a committee or stockholder, a waiver thereof in writing, signed by the person or persons entitled to said notice, whether before or after the time stated therein, shall be deemed equivalent thereto.

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ARTICLE VII

GENERAL PROVISIONS

SECTION 1. *Dividends.* Dividends upon the capital stock of the Corporation, subject to the provisions of the Certificate of Incorporation, if any, may be declared by the Board of Directors at any regular or special meeting, and may be paid in cash, in property, or in shares of the capital stock. Before payment of any dividend, there may be set aside out of any funds of the Corporation available for dividends such sum or sums as the Board of Directors from time to time, in its absolute discretion, deems proper as a reserve or reserves to meet contingencies, or for equalizing dividends, or for repairing or maintaining any property of the Corporation, or for any proper purpose, and the Board of Directors may modify or abolish any such reserve.

SECTION 2. *Disbursements.* All checks or demands for money and notes of the Corporation shall be signed by such officer or officers or such other person or persons as the Board of Directors may from time to time designate.

SECTION 3. *Fiscal Year.* The fiscal year of the Corporation shall be fixed by resolution of the Board of Directors.

SECTION 4. *Corporate Seal.* The corporate seal shall have inscribed thereon the name of the Corporation, the year of its organization and the words "Corporate Seal, Delaware". The seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise.

SECTION 5. *Stock Held by Corporation.* Powers of attorney, proxies, waivers of meeting, consents and other instruments relating to securities owned by the Corporation may be executed in the name and on behalf of the Corporation by the Chairman of the Board, or such other officer or officers as the Board of Directors or the Chairman of the Board may designate, and any such officer shall have full power and authority on behalf of the Corporation, in person or by proxy, to attend, and to act and vote at, any meeting of stockholders of any corporation in which the Corporation may hold securities, and at any such meeting shall possess, and may exercise, any and all of the rights and powers incident to the ownership of such securities.

ARTICLE VIII

INDEMNIFICATION

SECTION 1. *Power to Indemnify in Actions, Suits or Proceedings other than Those by or in the Right of the Corporation.* Subject to Section 3 of this Article VIII, the Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Corporation) by reason of the fact that he is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of *nolo contendere* or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

SECTION 2. *Power to Indemnify in Actions, Suits or Proceedings by or in the Right of the Corporation.* Subject to Section 3 of this Article VIII, the Corporation shall indemnify any person who was

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or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Corporation to procure a judgment in its favor by reason of the fact that he is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against expenses (including attorneys' fees) actually and reasonably incurred by him in connection with the defense or settlement of such action or suit if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Corporation; except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the Corporation unless and only to the extent that the Court of Chancery or the court in which such action or suit was brought shall determine upon application that, despite adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the Court of Chancery or such other court shall deem proper.

SECTION 3. *Authorization of Indemnification.* Any indemnification under this Article VIII (unless ordered by a court) shall be made by the Corporation only as authorized in the specific case upon a determination that indemnification of the director, officer, employee or agent is proper in the circumstances because he has met the applicable standard of conduct set forth in Section 1 or Section 2 of this Article VIII, as the case may be. Such determination shall be made (i) by the Board of Directors by a majority vote of a quorum consisting of directors who were not parties to such action, suit or proceeding, or (ii) if such a quorum is not obtainable, or, even if obtainable a quorum of disinterested directors so directs, by independent legal counsel in a written opinion, or (iii) by the stockholders. To the extent, however, that a director, officer, employee or agent of the Corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Section 1 or Section 2 of this Article VIII, or in defense of any claim, issue or

matter therein, he shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him in connection therewith, without the necessity of authorization in the specific case.

SECTION 4. *Good Faith Defined.* For purposes of any determination under *Section 3* of this *Article VIII*, a person shall be deemed to have acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Corporation, or, with respect to any criminal action or proceeding, to have had no reasonable cause to believe his conduct was unlawful, if his action is based on the records or books of account of the Corporation or another enterprise, or on information, opinions, reports or statements supplied to him by the officers or employees of the Corporation or another enterprise in the course of their duties, or by a committee of the Board of Directors of the Corporation, or on the advice of legal counsel for the Corporation or another enterprise or on information or records given or reports or statements made to the Corporation or another enterprise by an independent certified public accountant, by an appraiser or by another person selected with reasonable care by or on behalf of the Corporation or another enterprise as to matters such person reasonably believes are within such certified public accountant's, appraiser's, or other person's professional or expert competence. The term "another enterprise" as used in this *Section 4* shall mean any other corporation or any partnership, joint venture, trust or other enterprise of which such person is or was serving at the request of the Corporation as a director, officer, employee or agent. The provisions of this *Section 4* shall not be deemed to be exclusive or to limit in any way the circumstances in which a person may be deemed to have met the applicable standard of conduct set forth in *Sections 1* or *2* of this *Article VIII*, as the case may be.

SECTION 5. *Indemnification by a Court.* Notwithstanding any contrary determination in the specific case under *Section 3* of this *Article VIII*, and notwithstanding the absence of any determination thereunder, any director, officer, employee or agent may apply to any court of competent jurisdiction in the State of Delaware for indemnification to the extent otherwise permissible under *Sections 1* and *2* of this *Article VIII*. The basis of such indemnification by a court shall be a determination by such court that indemnification of the director, officer, employee or agent is proper in the circumstances because he has met the applicable standards of conduct set forth in *Sections 1* or *2* of this *Article VIII*, as the case may be.

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Notice of any application for indemnification pursuant to this *Section 5* shall be given to the Corporation promptly upon the filing of such application.

SECTION 6. *Expenses Payable in Advance.* Expenses incurred in defending or investigating a threatened or pending action, suit or proceeding may be paid by the Corporation in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of the director, officer, employee or agent to repay such amount if it shall ultimately be determined that he is not entitled to be indemnified by the Corporation as authorized in this *Article VIII*.

SECTION 7. *Non-exclusivity and Survival of Indemnification.* The indemnification and advancement of expenses provided by this *Article VIII* shall not be deemed exclusive of any other rights to which those seeking indemnification or advancement of expenses may be entitled under any By-law, agreement, contract, vote of stockholders or disinterested directors or pursuant to the direction (howsoever embodied) of any court of competent jurisdiction or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office, it being the policy of the Corporation that indemnification of the persons specified in *Sections 1* and *2* of this *Article VIII* shall be made to the fullest extent permitted by law. The provisions of this *Article VIII* shall not be deemed to preclude the indemnification of any person who is not specified in *Sections 1* or *2* of this *Article VIII* but whom the Corporation has the power or obligation to indemnify under the provisions of the General Corporation Law of the State of Delaware, or otherwise. The indemnification and advancement of expenses provided by this *Article VIII* shall continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such person.

SECTION 8. *Insurance.* The Corporation may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him and incurred by him in any such capacity, or arising out of his status as such, whether or not the Corporation would have the power or the obligation to indemnify him against such liability under the provisions of this *Article VIII*.

SECTION 9. *Meaning of "Corporation" for Purposes of Article VIII.* For purposes of this *Article VIII*, references to "the Corporation" shall include, in addition to the resulting corporation, any constituent corporation (including any constituent of a constituent) absorbed in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its directors, officers, and employees or agents, so that any person who is or was a director, officer, employee or agent of such constituent corporation, or is or was serving at the request of such constituent corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, shall stand in the same position under the provisions of this *Article VIII* with respect to the resulting or surviving corporation as he would have with respect to such constituent corporation if its separate existence had continued.

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**OCCIDENTAL PETROLEUM CORPORATION 2005 LONG-TERM INCENTIVE PLAN
(AS AMENDED THROUGH OCTOBER 13, 2010)**

1. PURPOSE

The purposes of this Plan are (i) to furnish a significant incentive to the employees and non-employee Directors of the Company and its subsidiaries by making available to them the benefits of increased ownership of Shares (ii) to promote the alignment of the interests of employees and non-employee Directors on the one hand and stockholders on the other hand and (iii) to assist in the recruitment and retention of employees and non-employee Directors.

2. DEFINITIONS

“Board” means the Board of Directors of the Company.

“Business Combination” means a merger, consolidation, or other reorganization, with or into, or the sale of all or substantially all of the Company’s business and/or assets as an entirety to, one or more entities that are not subsidiaries or other affiliates of the Company.

“Change in Control” means the occurrence of any of the following events:

(a) Approval by the stockholders of the Company of the dissolution or liquidation of the Company, other than in the context of a transaction that does not constitute a Change in Control under clause (b) below;

(b) Consummation of a Business Combination, unless (1) as a result of the Business Combination, more than 50 percent of the outstanding voting power of the Successor Entity immediately after the reorganization is, or will be, owned, directly or indirectly, by persons who were holders of the Company’s voting securities immediately before the Business Combination; (2) no “person” (as such term is used in Sections 13(d) and 14(d) of the Exchange Act), excluding the Successor Entity or an Excluded Person, beneficially owns, directly or indirectly, more than 20 percent of the outstanding shares or the combined voting power of the outstanding voting securities of the Successor Entity, after giving effect to the Business Combination, except to the extent that such ownership existed prior to the Business Combination; and (3) at least 50 percent of the members of the board of directors of the entity resulting from the Business Combination were Directors at the time of the execution of the initial agreement or of the action of the Board approving the Business Combination;

(c) Any “person” (as such term is used in Sections 13(d) and 14(d) of the Exchange Act, but excluding any Excluded Person) is or becomes the beneficial owner (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing 20 percent or more of the combined voting power of the Company’s then outstanding voting securities, other than as a result of (1) an acquisition directly from the Company; (2) an acquisition by the Company; or (3) an acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or a Successor Entity; or

(d) During any period not longer than two consecutive years, individuals who at the beginning of such period constituted the Board cease to constitute at least a majority thereof, unless the election, or the nomination for election by the Company’s stockholders, of each new Director was approved by a vote of at least two-thirds (2/3) of the Directors then still in office who were Directors at the beginning of such period (including for these purposes, new members whose election or nomination was so approved), but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of Directors or other actual or threatened solicitation of proxies or consents by or on behalf of a person other than the Board.

“Code” means the Internal Revenue Code of 1986, as amended from time to time.

“Committee” means the Executive Compensation and Human Resources Committee of the Board or its successor, which shall be composed of not less than two members of the Board, each of whom shall be a “non-employee director” within the meaning of Rule 16b-3 and an “outside director” within the meaning of Section 162(m).

“Company” means Occidental Petroleum Corporation, a Delaware corporation.

“Director” means a member of the Board.

“Disability” means permanent and total disability as defined in Section 22(e)(3) of the Code.

“Effective Date” means May 6, 2005, or such later date as this Plan is approved by the stockholders of the Company.

“Eligible Person” means any person who is an officer or employee of the Company or any of its subsidiaries and any person who is a non-employee Director; provided, however that a non-employee Director shall not be an Eligible Person for purposes of awarding of ISOs.

“Exchange Act” means the Securities Exchange Act of 1934, as amended from time to time.

“Excluded Person” means any employee benefit plan of the Company and any trustee or other fiduciary holding securities under a Company employee benefit plan or any person described in and satisfying the conditions of Rule 13d-1(b)(i) of the Exchange Act.

“Fair Market Value” means the last reported sale price of a share of Common Share on the New York Stock Exchange — Composite Transactions on the relevant date or, if there are no reported sales on such date, then the last reported sales price on the next preceding day on which such a sale is transacted.

“ISO” means an incentive stock option qualified under Section 422 of the Code.

“Performance-Based Award” means an award whose grant, vesting, exercisability or payment depends upon on any one or more of the Performance Objectives, in each case relative to Performance Goals, on an absolute or relative basis (including comparisons to peer companies) or ratio with other Performance Objectives, either as reported currency or constant currency, pre-tax or after-tax, before or after special charges, for the Company on a consolidated basis or for one or more subsidiaries, segments, divisions or business units, or any combination of the foregoing. The applicable performance period may range from one to seven years.

“Performance Goal” means a preestablished targeted level or levels of any one or more Performance Objectives.

“Performance Objectives” mean any one or more of the following business criteria: A/R day sales outstanding, A/R to sales, debt, debt to debt plus stockholder equity, debt to EBIT or EBITDA, EBIT, EBITDA, EPS, EVA, expense reduction, interest coverage, inventory to sales, inventory turns, net income, operating cash flow, pre-tax margin, return on assets, return on capital employed, return on equity, sales, stock price appreciation, and total stockholder return (TSR), each as defined further in Appendix A. These terms are used as applied under generally accepted accounting principles (if applicable) and in the Company’s financial reporting.

“Plan” means this Occidental Petroleum Corporation 2005 Long-Term Incentive Plan, as amended from time to time.

“Qualifying Options” mean options and stock appreciation rights granted with an exercise price not less than Fair Market Value on the date of grant. Qualifying Options are Performance-Based Awards.

“Rule 16b-3” means Rule 16b-3 under Section 16 of the Exchange Act.

“Section 162(m)” means Section 162(m) of the Code and the applicable regulations and interpretations thereunder.

“Section 162(m) Award” means a Performance-Based Award intended to satisfy the requirements for “performance-based compensation” within the meaning of Section 162(m).

“Share Limit” means the maximum number of Shares, as adjusted, that may be delivered pursuant to all awards granted under this Plan.

“Shares” mean the Company’s Common Stock, par value \$0.20 per share.

“Successor Entity” means the surviving or resulting entity or a parent thereof of a Business Combination.

3. SHARES SUBJECT TO THE PLAN

3.1 AGGREGATE SHARE LIMIT - Subject to adjustment as provided in or pursuant to this Section 3 or Section 7, a total of sixty-six million (66,000,000) Shares shall be authorized for issuance pursuant to awards granted under this Plan. Any Shares issued in connection with awards other than options and stock appreciation rights shall be counted against the limit described above as three (3) Shares for every one Share issued in connection with such award or by which the award is valued by reference as three (3) Shares.

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3.2 INDIVIDUAL LIMIT - No individual shall be granted options, stock appreciation rights or other awards in any 36-month period covering more than eight million (8,000,000) Shares, and in the case of ISOs granted to any individual who owns more than ten percent of the outstanding stock of the Company within the meaning of Section 422 of the Code the maximum term may not exceed five (5) years and the minimum exercise price may not be less than 110 percent of Fair Market Value on the date of grant.

3.3 REISSUE OF AWARDS AND SHARES - Awards payable in cash or payable in cash or Shares, including restricted shares, that are forfeited, cancelled, or for any reason do not vest under this Plan, and Shares that are subject to awards that expire or for any reason are terminated, cancelled or fail to vest shall be available for subsequent awards under this Plan. If an award under this Plan is or may be settled only in cash, such award need not be counted against any of the share limits under this Section 3, except as may be required to preserve the status of an award as “performance-based compensation” under Section 162(m). Shares subject to options or stock appreciation rights that are exercised shall not be available for subsequent awards. The following transactions involving Shares will not result in additional Shares becoming available for subsequent awards under this Plan: (i) Shares tendered in payment of an option; (ii) Shares withheld for taxes; and (iii) Shares repurchased by the Company using option proceeds.

4. PLAN ADMINISTRATION

This Plan shall be administered by the Committee.

4.1 POWERS OF THE COMMITTEE - Subject to the express provisions of this Plan, the Committee shall be authorized and empowered to do all things necessary or desirable in connection with the authorization of awards and the administration of this Plan within its delegated authority, including, without limitation, the authority to:

- (a) adopt, amend and rescind rules, regulations and procedures relating to this Plan and its administration or the awards granted under this Plan and determine the forms of awards;
- (b) determine who is an Eligible Person and to which Eligible Persons, if any, awards will be granted under this Plan;
- (c) grant awards to Eligible Persons and determine the terms and conditions of such awards, including but not limited to the number and value of Shares issuable pursuant thereto, the times (subject to Section 5.5) at which and conditions upon which awards become exercisable or vest or shall expire or terminate, and (subject to applicable law) the consideration, if any, to be paid upon receipt, exercise or vesting of awards;
- (d) determine the date of grant of an award, which may be a designated date after but not before the date of the Committee’s action;
- (e) determine whether, and the extent to which, adjustments are required pursuant to Section 7 hereof;

- (f) interpret and construe this Plan and the terms and conditions of any award granted hereunder, whether before or after the date set forth in Section 5;
- (g) determine the circumstances under which, consistent with the provisions of Section 8.2, any outstanding award may be amended and make any amendments thereto that the Committee determines are necessary or appropriate; and
- (h) acquire or settle rights under options, stock appreciation rights or other awards in cash, stock of equivalent value, or other consideration.

All authority granted herein (except as provided in Section 6) shall remain in effect so long as any award remains outstanding under this Plan.

4.2 SPECIFIC COMMITTEE RESPONSIBILITY AND DISCRETION REGARDING AWARDS - Subject to the express provisions of this Plan, the Committee, in its sole and absolute discretion, shall determine all of the terms and conditions of each award granted under this Plan, which terms and conditions may include, subject to such limitations as the Committee may from time to time impose, among other things, provisions that:

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- (a) permit the recipient of such award to pay the purchase price of the Shares or other property issuable pursuant to such award, or any applicable tax withholding obligation upon such issuance or in respect of such award or Shares, in whole or in part, by any one or more of the following:
 - (i) cash, cash equivalent, or electronic funds transfer,
 - (ii) the delivery of previously owned shares of capital stock of the Company (including shares acquired as or pursuant to awards) or other property,
 - (iii) a reduction in the amount of Shares or other property otherwise issuable pursuant to such award,
 - (iv) a cashless exercise, or
 - (v) any other legal consideration the Committee deems appropriate;
- (b) qualify such award as an ISO;
- (c) accelerate the receipt of benefits pursuant to an award or adjust the exercisability, term (subject to other limits) or vesting schedule of any or all outstanding awards, adjust the number of Shares subject to any award, adjust the price of any or all outstanding awards or otherwise change previously imposed terms and conditions, pursuant to a termination of employment or an event referenced in Section 7 (in which case the Committee's discretion shall be exercised in a manner consistent with Section 7) or in other circumstances or upon the occurrence of other events as deemed appropriate by the Committee, by amendment of an outstanding award, by substitution of an outstanding award, by waiver or by other legally valid means (which may result, among other changes, in a greater or lesser number of shares subject to the award, a shorter or longer vesting or exercise period, or, except as provided below, an exercise or purchase price that is higher or lower than the original or prior award), in each case subject to Sections 3 and 8.2; provided, however, that in no case (other than an adjustment contemplated by Section 7.2) shall the exercise price of any option or stock appreciation right be reduced by an amendment to the award or a cancellation and re-grant of the award to effect a repricing of the award to a price below the Fair Market Value of the underlying Shares on the grant date of the original option or stock appreciation right unless specific stockholder consent is obtained;
- (d) authorize (subject to Sections 7, 8, and 10) the conversion, succession or substitution of one or more outstanding awards upon the occurrence of an event of the type described in Section 7 or in other circumstances or upon the occurrence of other events as deemed appropriate by the Committee; and
- (e) determine the value of and acquire or otherwise settle awards upon termination of employment, upon such terms as the Committee (subject to Sections 7, 8 and 10) deems appropriate.

4.3 DELEGATION - Subject to Section 4.5, the Board may delegate different levels of authority to different committees with administrative and grant authority under this Plan, provided that each designated committee granting any awards hereunder shall consist exclusively of a member or members of the Board. A majority of the members of the acting committee shall constitute a quorum. The vote of a majority of the members present assuming the presence of a quorum or the unanimous written consent of the Committee shall constitute action by the committee. The Committee may delegate authority to grant awards under this Plan for new employees to an officer of the Company who is also a director and may delegate ministerial, non-discretionary functions to individuals who are officers or employees of the Company or a subsidiary or to third parties.

4.4 BIFURCATION - Notwithstanding anything to the contrary in this Plan, the provisions of this Plan may at any time be bifurcated by the Board or the Committee in any manner so that provisions of any award agreement (or this Plan) intended or required in order to satisfy the applicable requirements of Rule 16b-3, Section 162(m) or other applicable law, to the extent permitted thereby, are applicable only to persons subject to those provisions and to those awards to those persons intended to satisfy the requirements of the applicable legal restriction.

4.5 AWARDS TO NON-EMPLOYEE DIRECTORS - Notwithstanding any provision in this Plan to the contrary and without being subject to management discretion, the Board, acting through the non-employee Directors only, shall have the authority, in its sole and absolute discretion, to select non-employee Directors to receive awards other than ISOs under this Plan. The Board, acting through the non-employee Directors only shall set the terms of any such awards in its sole and absolute discretion, and the Board, acting through the non-employee

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Directors only, shall be responsible for administering and construing such awards in substantially the same manner that the Committee administers and construes awards to other Eligible Persons.

5. AWARDS

5.1 TYPE AND FORM OF AWARDS - - All awards shall be evidenced in writing (including electronic form), substantially in the form approved by the Committee. The types of awards that the Committee may grant include, but are not limited to, any of the following, on an immediate or deferred basis, either singly, or in tandem or in combination with or in substitution for, other awards of the same or another type: (i) Shares, (ii) options (ISOs or nonqualified stock options), stock appreciation rights (including limited stock appreciation rights), restricted stock (which shall vest over a period of not less than three years), stock units, or similar rights to purchase or acquire shares, whether at a fixed or variable price or ratio related to the Shares, upon the passage of time, the occurrence of one or more events, or the satisfaction of Performance Goals or other conditions, or any combination thereof, (iii) any similar securities with a value derived from the value of or related to the Shares or other securities of the Company and/or returns thereon, or (iv) cash. Share-based awards may include (without limitation) stock options, stock purchase rights, stock bonuses, stock units, stock appreciation rights, limited stock appreciation rights, phantom stock, dividend equivalents (independently or in tandem with any form of stock grant), dividend rights (independently or in tandem with any form of stock grant), Shares, any of which may be payable in Shares or cash, and may consist of one or more of such features in any combination.

5.2 PERFORMANCE-BASED AWARDS - - Any of the types of awards listed in Section 5.1 may be granted as Performance-Based Awards.

5.2.1 Section 162(m) Awards. The Committee has discretion to determine if any Performance-Based Award is intended to be a Section 162(m) Award. The specific Performance Goals in respect of Section 162(m) Awards, other than Qualifying Options, must be approved by the Committee in advance of any applicable deadlines under Section 162(m) and while the performance relating to those goals remains substantially uncertain within the meaning thereof. The persons eligible for Section 162(m) Awards shall be executive officers of the Company and its subsidiaries and, in the discretion of the Committee, other employees of the Company or its subsidiaries who are designated by the Committee to receive a Section 162(m) Award because they may be executive officers of the Company or its subsidiaries by the time their awards are exercised, vested or paid. Except as otherwise permitted under Section 162(m), before any Section 162(m) Award is paid, the Committee must certify that the Performance Goal and any other material terms of the Section 162(m) Award were in fact satisfied.

5.2.2 Reservation of Discretion - The Committee shall have discretion to determine the conditions, restrictions or other limitations, in accordance with the terms of this Plan and, in the case of Section 162(m) Awards, the limitations of Section 162(m), on the payment of individual Performance-Based Awards under this Section 5.2.

5.2.3 Adjustments - Performance Goals or other features of an award under this Section 5.2 may be (i) adjusted to reflect a change in corporate capitalization, a corporate transaction (such as a reorganization, combination, separation, merger, acquisition, or any combination of the foregoing) or a complete or partial corporate liquidation, or (ii) calculated either without regard for or to reflect any change in accounting policies or practices affecting the Company and/or the Performance Objectives or Performance Goals, or (iii) adjusted for any other circumstances or event, or (iv) any combination of (i) through (iii), but only to the extent in each case that such adjustment or determination in respect of Section 162(m) Awards would be consistent with the requirements of Section 162(m) to qualify as performance-based compensation.

5.3 CONSIDERATION FOR SHARES - - Shares may be issued pursuant to an award for any lawful consideration as determined by the Committee, including, without limitation, services rendered by the recipient of such award, but shall not be issued for less than the minimum lawful consideration. Awards may be payable in cash, stock or other consideration or any combination thereof, as the Committee shall designate in or (except as required by Section 5.2) by amendment to the terms and conditions governing such award.

5.4 LIMITED RIGHTS - Except as otherwise expressly authorized by the Committee or this Plan or in the applicable award terms and conditions, a participant will not be entitled to any privilege of stock ownership as to

any Shares not actually delivered to and held of record by the participant. No adjustment will be made for dividends or other rights as a stockholder for which a record date is prior to such date of delivery.

5.5 OPTION/STOCK APPRECIATION RIGHT PRICING AND TERM LIMITS - The purchase price per share of the Shares covered by any option or the base price of any stock appreciation right shall be determined by the Committee at the time of the grant, but shall not be less than 100 percent of the Fair Market Value of the Shares on the date of grant. Any option, stock appreciation right, warrant or similar right shall expire and any other award shall vest not more than 10 years after the date of grant. An award may be converted or convertible, notwithstanding the foregoing limits, into or payable in, Shares or another award that otherwise satisfies the requirements of this Plan.

5.6 TRANSFER RESTRICTIONS - - Unless otherwise expressly provided in or permitted by this Section 5.6, by applicable law or by the award terms and conditions (i) all awards are nontransferable and shall not be subject in any manner to sale, transfer, anticipation, alienation, assignment, pledge, encumbrance or charge; (ii) awards shall be exercised only by the holder; and (iii) amounts payable or shares issuable pursuant to an award shall be delivered only to (or for the account of) the holder.

5.6.1 Exceptions by Committee Action - The Committee, in its sole discretion, may permit an award to be transferred for estate and/or tax planning purposes and on a basis consistent with the Company's lawful issue of securities and the incentive purposes of the award and this Plan. Notwithstanding the foregoing, awards intended as ISOs or restricted stock awards for purposes of the Code shall be subject to any and all additional transfer restrictions necessary to preserve their status as ISOs or restricted shares, as the case may be, under the Code.

5.6.2 Exclusions - The exercise and transfer restrictions in this Section 5.6 shall not apply to:

- (a) transfers to the Company,
- (b) the designation of a beneficiary to receive benefits in the event of the participant's death or, if the participant has died, transfers to or exercise by the participant's beneficiary, or, in the absence of a validly designated beneficiary, transfers by will or the laws of descent and distribution,

- (c) transfers pursuant to a domestic relations order (if approved or ratified by the Committee), if (in the case of ISOs) permitted by the Code,
- (d) if the participant has suffered a Disability, permitted transfers to or exercises on behalf of the holder by his or her legal representative, or
- (e) the authorization by the Committee of “cashless exercise” procedures with third parties who finance or who otherwise facilitate the exercise of awards consistent with applicable laws and the express authorization of the Committee.

5.7 TAX WITHHOLDING - Upon any exercise, vesting, or payment of any award, the Company shall:

- (a) require the recipient (or his or her heirs, personal representatives or beneficiaries, as the case may be) to pay or provide for payment of the amount of any taxes which the Company or any subsidiary may be required to withhold with respect to such transaction; or
- (b) deduct from any amount payable in cash the amount of any taxes that the Company or any subsidiary may be required to withhold with respect to such cash amount.

5.8 POSSIBLE SHARE OFFSET - - In any case where a tax is required to be withheld in connection with the delivery of Shares under this Plan, the Committee may require or may permit the holder the right to offset, pursuant to such rules and subject to such conditions as the Committee may establish, the number of shares to be delivered by (or otherwise reacquire) the appropriate number of shares valued at their then Fair Market Value, to satisfy the minimum statutory withholding taxes with respect thereto.

5.9 CASH AWARDS - The Committee shall have the express authority to pay awards in cash under this Plan, whether in lieu of, in addition to or as part of another award.

5.10 TERMINATION OF EMPLOYMENT OR SERVICE - If an Eligible Person’s employment with or service to the Company or to any parent or subsidiary terminates for any reason, his or her outstanding awards may

thereafter be exercised (if at all) to the extent provided in the agreement evidencing such award, or as otherwise determined by the Committee.

6. TERM OF PLAN

No award shall be granted under this Plan after the tenth anniversary of the Effective Date of this Plan. After that date, this Plan shall continue in effect as to then outstanding awards. Any then outstanding award may be amended thereafter in any manner that would have been permitted earlier, except that no such amendment shall increase the number of Shares subject to, comprising or referenced in the award or reduce the exercise or base price of an option or stock appreciation right or permit cash payments in an amount that exceeds the limits of Section 3 (as adjusted pursuant to Section 7.2).

7. ADJUSTMENTS; CHANGE IN CONTROL

7.1 CHANGE IN CONTROL; ACCELERATION AND TERMINATION OF AWARDS - Unless prior to a Change in Control, the Committee determines that, upon its occurrence, benefits under any or all awards will not accelerate or determines that only certain or limited benefits under any or all awards will be accelerated and the extent to which they will be accelerated, or establishes a different time in respect of such Change in Control for such acceleration, then upon the occurrence of a Change in Control:

- (a) each option and stock appreciation right shall become immediately exercisable,
- (b) restricted stock shall immediately vest free of restrictions,
- (c) each award under Section 5.2 shall become payable to the participant,
- (d) the number of Shares covered by each stock unit account shall be issued to the participant, and
- (e) any other rights of a participant under any other award will be accelerated to give the participant the benefit intended under any such award.

The Committee may override the limitations on acceleration in this Section 7.1 by express provision in the award agreement and may accord any Eligible Person a right to refuse any acceleration, whether pursuant to the award agreement or otherwise, in such circumstances as the Committee may approve. Any acceleration of awards shall comply with applicable legal and regulatory requirements. Without limiting the generality of the foregoing, the Committee may deem an acceleration to occur immediately prior to or up to 30 days before the applicable event and/or reinstate the original terms of an award if an event giving rise to an acceleration does not occur.

If any option or other right to acquire Shares under this Plan has been fully accelerated as required or permitted by this Plan but is not exercised prior to (i) a dissolution of the Company, or (ii) an event described in this Section 7.1 that the Company does not survive, or (iii) the consummation of an event described in Section 7.2 involving a Change in Control approved by the Board, such option or right will terminate, subject to any provision that has been expressly made by the Committee or the Board through a plan of reorganization approved by the Board or otherwise for the survival, substitution, assumption, exchange or other settlement of such option or right.

7.2 ADJUSTMENTS - - The following provisions will apply if any extraordinary dividend or other extraordinary distribution occurs in respect of the Shares (whether in the form of cash, Shares, other securities, or other property), or any reclassification, recapitalization, stock split (including a stock split in the form of a stock dividend), reverse stock split, reorganization, merger, combination, consolidation, split-up, spin-off, repurchase, or exchange of Shares or

other securities of the Company, or any similar, unusual or extraordinary corporate transaction (or event in respect of the Shares) or a sale of substantially all the assets of the Company as an entirety occurs. The Committee will, in such manner and to such extent (if any) as it deems appropriate and equitable:

- (a) proportionately adjust any or all of (i) the number and type of Shares (or other securities) that thereafter may be made the subject of awards (including the specific maxima and numbers of shares set forth elsewhere in this Plan), (ii) the number, amount and type of shares (or other securities or property) subject to any or all outstanding awards, (iii) the grant, purchase, or exercise price of any or all outstanding awards, (iv) the securities, cash or other property deliverable upon exercise of any

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outstanding awards, or (v) the Performance Goals or Performance Objectives appropriate to any outstanding awards, or

- (b) in the case of an extraordinary dividend or other distribution, recapitalization, reclassification, merger, reorganization, consolidation, combination, sale of assets, split-up, exchange, or spin-off, make provision for a cash payment or for the substitution or exchange of any or all outstanding awards or the cash, securities or property deliverable to the holder of any or all outstanding awards based upon the distribution or consideration payable to holders of the Shares of the Company upon or in respect of such event.

In each case, with respect to awards of ISOs, no such adjustment will be made that would cause this Plan to violate Section 422 or 424 of the Code or any successor provisions without the written consent of holders materially adversely affected thereby. In any of such events, the Committee may take such action sufficiently prior to such event if necessary or deemed appropriate to permit the participant to realize the benefits intended to be conveyed with respect to the underlying shares in the same manner as is available to stockholders generally.

8. PLAN AMENDMENT AND TERMINATION

8.1 AUTHORITY OF THE BOARD - Subject to Sections 8.2 and 8.3 and New York Stock Exchange Rules applicable to companies listed on such Exchange, the Board may amend or terminate this Plan at any time and in any manner.

8.2 RESTRICTIONS - No amendment or termination of this Plan or change in or affecting any outstanding award shall deprive in any material respect the holder, without the consent of the holder, of any of his or her rights or benefits under or with respect to the award. Adjustments contemplated by Section 7 shall not be deemed to constitute a change requiring such consent.

8.3 STOCKHOLDER APPROVAL - - Stockholder approval shall be required for any amendment to this Plan that would:

- (a) materially increase the benefits accruing to participants under this Plan,
- (b) materially increase the number of securities which may be issued under this Plan, or
- (c) materially modify the requirements as to eligibility for participation in this Plan.

9. LEGAL MATTERS

9.1 COMPLIANCE AND CHOICE OF LAW; SEVERABILITY - This Plan, the granting and vesting of awards under this Plan and the issuance and delivery of Shares and/or the payment of money under this Plan or under awards granted hereunder are subject to compliance with all applicable federal and state laws, rules and regulations and to such approvals by any listing, regulatory or governmental authority as may, in the opinion of counsel for the Company, be necessary or advisable in connection therewith. This Plan, the awards, all documents evidencing awards and all other related documents shall be governed by, and construed in accordance with the laws of the state of Delaware. If any provision shall be held by a court of competent jurisdiction to be invalid and unenforceable, the remaining provisions of this Plan shall continue in effect.

9.2 NON-EXCLUSIVITY OF PLAN - - Nothing in this Plan shall limit or be deemed to limit the authority of the Board or the Committee to grant awards or authorize any other compensation, with or without reference to the Shares, under any other plan or authority.

9.3 NO EMPLOYMENT CONTRACT - - Nothing contained in this Plan (or in any other documents relating to this Plan or to any award) shall confer upon any Eligible Person or other participant any right to continue in the employ or other service of the Company or any subsidiary or constitute any contract or agreement of employment or other service, nor shall interfere in any way with the right of the Company or any subsidiary to change such person's compensation or other benefits or to terminate the employment of such person, with or without cause.

10. MISCELLANEOUS

10.1 UNFUNDED PLAN - Unless otherwise determined by the Committee, this Plan shall be unfunded and shall not create (or be construed to create) a trust or a separate fund or funds. This Plan shall not establish any

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fiduciary relationship between the Company or any subsidiary and any participant or other person. To the extent any person holds any rights by virtue of awards granted under this Plan, such rights shall be no greater than the rights of an unsecured general creditor of the Company.

10.2 AWARDS NOT COMPENSATION - - Unless otherwise determined by the Committee, settlements of awards received by participants under this Plan shall not be deemed a part of a participant's regular, recurring compensation for purposes of calculating payments or benefits from any Company benefit plan, severance program or severance pay law of any country.

10.3 FRACTIONAL SHARES - The Company shall not be required to issue any fractional Shares pursuant to this Plan. The Committee may provide for the elimination of fractions or for the settlement thereof in cash.

10.4 FOREIGN PARTICIPANTS - - No award shall be made to a participant who is a foreign national or who is employed by the Company or any subsidiary outside the United States of America if such award would violate applicable local law. In order to facilitate the making of an award, the Committee may provide for such special terms for awards to participants who are foreign nationals, or who are employed by the Company or any subsidiary outside of the United States of America, as the Committee may consider necessary or appropriate to accommodate differences in local law, tax policy or custom. Moreover, the Committee may approve such supplements to or amendments to this Plan as it may consider necessary or appropriate for such purposes unless stockholder approval for any such change would be required in accordance with the provisions of Section 8.

APPENDIX A TO 2005 LONG-TERM INCENTIVE PLAN

PERFORMANCE OBJECTIVES

The Performance Objectives shall have the meanings set forth below, in each case as reported in the financial statements of the Company or applicable subsidiary, division, segment, or unit (“financial statements”).

“**A/R Day Sales Outstanding**” means trade accounts receivable (A/R)(net of reserves) divided by latest historical day Sales.

“**A/R to Sales**” means the ratio of accounts receivable to Sales.

“**Debt**” means all accounts classified as such in the financial statements.

“**Debt to Debt plus stockholder equity**” means the ratio of Debt to Debt plus stockholder equity.

“**Debt to EBIT or EBITDA**” means the ratio of Debt to EBIT or EBITDA.

“**EBIT**” means Net Income before interest expense and taxes, which may be adjusted for special charges, if any.

“**EBITDA**” means Net Income before interest expense, taxes, depreciation and amortization, which may be adjusted for special charges, if any.

“**EPS**” means Net Income divided by the weighted average number of Shares outstanding. The Shares outstanding may be adjusted to include the dilutive effect of stock options, restricted stock and other dilutive financial instruments as required by generally accepted accounting principles.

“**EVA**” means operating profit after tax (OPAT) (which is defined as Net Income after tax but before tax adjusted interest income and expense and goodwill amortization), less a charge for the use of capital (average total capital as such term is used below under “Return on Capital Employed”). Net Income may be adjusted for special charges and acquisition activity costs, if any. The charge for capital is the percentage cost of capital times the average total capital. The cost of capital is the weighted average cost of capital as calculated for the Company.

“**Expense Reduction**” means reduction in actual expense or an improvement in the expense to Sales ratio compared to a target or prior year actual expense to Sales ratio, which may be adjusted for special charges, if any.

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“**Interest Coverage**” means the ratio of EBIT or EBITDA to interest expense. Net Income may be adjusted for special charges.

“**Inventory to Sales**” means the ratio of total inventory to Sales.

“**Inventory Turns**” means the ratio of total cost of goods sold on a historical basis to average net inventory. This ratio may be adjusted for special charges, if any.

“**Net Income**” means the difference between total Sales plus other revenues and net total costs and expenses, including income taxes.

“**Operating Cash Flow**” means the net cash provided by operating activities less net cash used by operations and investing activities as shown on the statement of cash flows. The numbers relating to the foregoing may be adjusted for special charges, if any.

“**Pre-Tax Margin**” means the ratio of earnings before income taxes to Sales. Earnings may be adjusted for special charges, if any.

“**Return on Assets**” means the ratio of Net Income to total average assets including goodwill. Earnings may be adjusted for special charges and goodwill amortization for comparative purposes.

“**Return on Capital Employed**” means the ratio of Net Income plus tax-effected interest expense to long-term Debt plus stockholder equity.

“**Return on Equity**” means the ratio of Net Income to stockholder equity.

“**Sales**” means sales, service and rental income from third parties net of discounts, returns and allowances.

“**Stock Price Appreciation**” means an increase, or an average annualized increase, in the stock price or market value of the Shares of the Company after purchase of, or the date of grant of, an award or above a specified stock price.

“**Total Stockholder Return or TSR**” means the appreciation in the price of a Common Share plus reinvested dividends over a specified period of time.

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**OCCIDENTAL PETROLEUM CORPORATION
2005 LONG-TERM INCENTIVE PLAN
RESTRICTED STOCK INCENTIVE AWARD TERMS AND CONDITIONS**

DATE OF GRANT: **October 13, 2010**

SHARES OF RESTRICTED STOCK: **See Morgan Stanley Smith Barney Benefit Access "Other Awards/My Awards/Awarded"**

VESTING DATE: **October 12, 2013**

The following **Terms and Conditions** (these "Terms and Conditions") are set forth as of the Date of Grant between OCCIDENTAL PETROLEUM CORPORATION, a Delaware corporation ("Occidental" and, with its subsidiaries, the "Company"), and the Eligible Employee receiving this award (the "Grantee").

1. **GRANT OF RESTRICTED STOCK INCENTIVE AWARD.** In accordance with these Terms and Conditions and the Occidental Petroleum Corporation 2005 Long-Term Incentive Plan, as the same may be amended from time to time (the "Plan"), Occidental grants to the Grantee as of the Date of Grant, the number of shares of Restricted Stock set forth above. The Restricted Stock shall be fully paid and nonassessable and shall be represented by a book-entry account registered in the name of the Grantee with Occidental's registrar and stock transfer agent that will be subject to the restrictions hereinafter set forth until those shares have become transferable in accordance with Section 2.

2. **RESTRICTIONS ON TRANSFER.** (a) Until the Vesting Date and the certification by the Committee of the attainment on or after September 30, 2013 of the Performance Goal, the shares of Restricted Stock may not be transferred, assigned sold, pledged, exchanged, or otherwise encumbered or disposed of by the Grantee, except to Occidental or pursuant to a domestic relations order, if applicable, (if approved or ratified by the Committee); provided that the Grantee may designate from time to time a beneficiary or beneficiaries on a form approved by the Company (if enforceable under local law). If the Grantee dies without a beneficiary designation on file with Occidental at the time of death, the Grantee's interest in the Restricted Stock will be transferred by will or by the laws of descent and distribution.

(b) Further, if the Grantee was a Named Executive Officer during the last completed fiscal year prior to vesting, then such Grantee shall retain Beneficial Ownership of Shares equal to not less than 50% of the net after-tax Shares received under these Terms and Conditions until the third anniversary date of the vesting of the Restricted Stock under this Award (the "Beneficial Ownership Period"). Compliance with the foregoing requirement shall be determined by reference to the reports filed by the Grantee on Forms 3, 4, and 5, as applicable, pursuant to Section 16(a) of the Securities Exchange Act of 1934 (the "Exchange Act") and the aggregate number of Shares reported as Beneficially Owned during the Beneficial Ownership Period shall be not less than the sum of the number of Shares then required to be so owned pursuant to these Terms and Conditions and the terms and conditions of any other grant containing this or

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a similar requirement. For purposes of these Terms and Conditions, "Beneficial Ownership" has the meaning ascribed in Rule 16a-1(2) under the Exchange Act, and "Named Executive Officer" has the meaning ascribed thereto pursuant to Item 402 of Regulation S-K under the Exchange Act.

3. **PERFORMANCE GOAL.** In order for the Grantee to retain the Restricted Stock, the Company must achieve cumulative reported Net Income (as defined in the Plan) of ten billion dollars (\$10,000,000,000), during the period beginning October 1, 2010 and ending September 30, 2017. Reported Net Income shall be cumulative and shall be the sum of the net income and net losses reported in Occidental's Annual and Quarterly Reports filed with the Securities and Exchange Commission. The Committee may certify attainment of the Performance Goal effective at any time on or after the Vesting Date (the "Certification Date").

4. **VESTING AND FORFEITURE OF RESTRICTED STOCK INCENTIVE AWARD.** (a) If the Grantee fails to accept this award prior to the next record date for the payment of dividends on the Common Stock subsequent to the Date of Grant, then, notwithstanding any other provision of this award, the Grantee shall forfeit the shares of Restricted Stock and all rights under this award and this award will become null and void. For purposes of this section, acceptance of the award shall occur on the date the Grantee accepts this Restricted Stock Incentive Award through Morgan Stanley Smith Barney Benefit Access or any replacement on-line system designated by the Company.

(b) The Grantee must remain in the continuous employ of the Company through the Vesting Date. The continuous employment of the Grantee will not be deemed to have been interrupted by reason of the transfer of the Grantee's employment among the Company and its affiliates or an approved leave of absence. However, if, prior to the Vesting Date, the Grantee dies, becomes permanently disabled while in the employ of the Company and terminates employment as a result thereof, retires with the consent of the Company, or terminates employment for the convenience of the Company (each of the foregoing, a "Forfeiture Event"), then the number of shares of Restricted Stock will be reduced on a pro rata basis based upon the number of days remaining until the Vesting Date following the date of the Forfeiture Event. If the Grantee terminates employment voluntarily or is terminated for cause before the Vesting Date, then these Terms and Conditions will terminate automatically on the date of the Grantee's termination and the Grantee shall forfeit the Restricted Stock.

(c) If a Change in Control event occurs prior to the Vesting Date, the number of shares of Restricted Stock will be reduced on a pro rata basis based upon the number of days remaining until the Vesting Date following the date of the Change in Control and become nonforfeitable unless, prior to the occurrence of the Change in Control event, the Committee, as provided in Section 7.1 of the Plan, determines that such event will not accelerate vesting of any of these Restricted Stock. Any such determination by the Committee is binding on the Grantee.

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(d) If a Change in Control event occurs on or after the Vesting Date but prior to the Certification Date, the shares of Restricted Stock will become nonforfeitable unless, prior to the occurrence of the Change in Control event, the Committee, as provided in Section 7.1 of the Plan, determines that such event will not accelerate vesting of any of these Restricted Stock. Any such determination by the Committee is binding on the Grantee.

(e) Notwithstanding Section 4(b), if the Company does not meet the Performance Goal on or before September 30, 2017 the Grantee or any permitted assignee will forfeit the Restricted Stock. If the Company meets the Performance Goal on or before September 30, 2017, the Restricted Stock (as may be adjusted pursuant to Section 4(b)), will become nonforfeitable on the Certification Date.

5. **DIVIDEND, VOTING AND OTHER RIGHTS.** Except as otherwise provided herein, the Grantee shall have all of the rights of a stockholder with respect to the shares of Restricted Stock, including the right to vote such shares and receive any dividends that may be paid thereon; provided, however, that any additional shares of Common Stock or other securities that the Grantee may become entitled to receive pursuant to a stock dividend, stock split, combination of shares, recapitalization, merger, consolidation, separation or reorganization or any other change in the capital structure of Occidental shall be subject to the same restrictions as the shares of Restricted Stock.

6. **NO EMPLOYMENT CONTRACT.** Nothing in these Terms and Conditions confers upon the Grantee any right with respect to continued employment by the Company, nor limits in any manner the right of the Company to terminate the employment or adjust the compensation of the Grantee. Unless otherwise agreed in a writing signed by the Grantee and an authorized representative of the Company, the Grantee's employment with the Company is at will and may be terminated at any time by the Grantee or the Company.

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

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acknowledges that the Company may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

Prior to the relevant taxable event, the Grantee shall pay or make adequate arrangements satisfactory to the Company to satisfy all Tax-Related Items. In this regard, the Grantee authorizes the Company to withhold all applicable Tax-Related Items legally payable by the Grantee first from the shares pursuant to this Restricted Stock Incentive Award and, if not sufficient, from the Grantee's wages or other cash compensation. The Grantee shall pay to the Company any amount of Tax-Related Items that the Company may be required to withhold as a result of the Grantee's receipt of this Restricted Stock Incentive Award that cannot be satisfied by the means previously described.

Notwithstanding its availability, the Grantee expressly agrees not to make an election pursuant to Section 83(b) of the U.S. Internal Revenue Code with respect to the shares of Restricted Stock granted pursuant to these Terms and Conditions.

8. **COMPLIANCE WITH LAW.** The Company will make reasonable efforts to comply with all federal, state and non-U.S. laws applicable to awards of this type. However, if it is not feasible for the Company to comply with these laws with respect to the grant or settlement of these awards, then the awards may be cancelled without any compensation or additional benefits provided to Grantee as a result of the cancellation.

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

10. **AMENDMENTS.** The Plan may be modified, amended, suspended or terminated by the Board at any time, as provided in the Plan. Any amendment to the Plan will be deemed to be an amendment to these Terms and Conditions to the extent it is applicable to these Terms and Conditions; however, no amendment will adversely affect the rights of the Grantee under these Terms and Conditions without the Grantee's consent.

11. **SEVERABILITY.** If one or more of the provisions of these Terms and Conditions is invalidated for any reason by a court of competent jurisdiction, the invalidated provisions

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shall be deemed to be separable from the other provisions of these Terms and Conditions, and the remaining provisions of these Terms and Conditions will continue to be valid and fully enforceable.

12. **ENTIRE AGREEMENT; RELATION TO PLAN; INTERPRETATION.** Except as specifically provided in this Section, these Terms and Conditions and the Attachments incorporated in these Terms and Conditions constitute the entire agreement between the Company and the Grantee with respect to this Restricted Stock Incentive Award. These Terms and Conditions are subject to the terms and conditions of the Plan. In the event of any inconsistent provisions between these Terms and Conditions and the Plan, the provisions of the Plan control. Capitalized terms used in these Terms and Conditions without definitions have the meanings assigned to them in the Plan. References to Sections and Attachments are to Sections of, and Attachments incorporated in, these Terms and Conditions unless otherwise noted.

13. **SUCCESSORS AND ASSIGNS.** Subject to Sections 2 and 3, the provisions of these Terms and Conditions shall be for the benefit of, and be binding upon, the successors, administrators, heirs, legal representatives and assigns of the Grantee, and the successors and assigns of the Company.

14. **GOVERNING LAW.** The laws of the State of Delaware govern the interpretation, performance, and enforcement of these Terms and Conditions.

15. **PRIVACY RIGHTS.** By accepting this Restricted Stock Incentive Award, the Grantee explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of the Grantee's personal data as described in these Terms and Conditions by and among, as applicable, the Company and its affiliates for the exclusive purpose of implementing, administering and managing the Grantee's participation in the Plan. The Grantee understands that the Company holds, or may receive from any agent designated by the Company, certain personal information about the Grantee, including, but not limited to, the Grantee's name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any shares of stock or directorships held in the Company, details of this Restricted Stock Incentive Award or any other entitlement to cash or shares of stock awarded, canceled, exercised, vested, unvested or outstanding in the Grantee's favor, for the purpose of implementing, administering and managing the Plan, including complying with applicable tax and securities laws ("Data"). Data may be transferred to any third parties assisting in the implementation, administration and management of the Plan. These recipients may be located in the Grantee's country or elsewhere, and may have different data privacy laws and protections than the Grantee's country. By accepting these Terms and Conditions, the Grantee authorizes the recipients to receive, possess, use, retain and transfer the Data, in electronic or other form, for the purposes described above. The Grantee may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without

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cost, by contacting the Committee in writing. Refusing or withdrawing consent may affect the Grantee's ability to participate in the Plan.

16. **ELECTRONIC DELIVERY AND ACCEPTANCE.** The Company may, in its sole discretion, decide to deliver any documents related to this Restricted Stock Incentive Award granted under the Plan or future awards that may be granted under the Plan (if any) by electronic means or to request the Grantee's consent to participate in the Plan by electronic means. The Grantee hereby consents to receive such documents by electronic delivery and, if requested, to participate in the Plan through an on-line or electronic system established and maintained by the Company or another third party designated by the Company.

17. **GRANTEE'S REPRESENTATIONS AND RELEASES.** By accepting this Restricted Stock Incentive Award, the Grantee acknowledges that the Grantee has read these Terms and Conditions and understands that (i) the grant of this Restricted Stock Incentive Award is made voluntarily by Occidental in its discretion with no liability on the part of any of its direct or indirect subsidiaries and that, if the Grantee is not an employee of Occidental, the Grantee is not, and will not be considered, an employee of Occidental but the Grantee is a third party (employee of a subsidiary) to whom this Restricted Stock Incentive Award is granted; (ii) all decisions with respect to future awards, if any, will be at the sole discretion of Occidental; (iii) the Grantee's participation in the Plan is voluntary; (iv) this Restricted Stock Incentive Award is an extraordinary item that does not constitute a regular and recurring item of base compensation; (v) the future value of any Shares issued pursuant to this Restricted Stock Incentive Award cannot be predicted and Occidental does not assume liability in the event this Restricted Stock Incentive Award has no value in the future; (vi) subject to the terms of any tax equalization agreement between the Grantee and the entity employing the Grantee, the Grantee will be solely responsible for the payment or nonpayment of taxes imposed or threatened to be imposed by any authority of any jurisdiction; and (vii) Occidental is not providing any tax, legal or financial advice with respect to this Restricted Stock Incentive Award or the Grantee's participation in the Plan.

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

By accepting this Restricted Stock Incentive Award, the Grantee agrees, to the extent not contrary to applicable law, to the General Terms of Employment set out on Attachment 1 and the Arbitration Provisions set out on Attachment 2, which, in each case, are incorporated in these Terms and Conditions by reference.

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18. **IMPOSITION OF OTHER REQUIREMENTS.** Occidental reserves the right to impose other requirements on the Grantee's participation in the Plan and on the Restricted Stock Incentive Award, to the extent Occidental determines it is necessary or advisable in order to comply with local law or facilitate the administration of the Plan, and to require the Grantee to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

19. **COMPLIANCE WITH SECTION 409A OF THE CODE.** This award is intended to be exempt from Section 409A of the U.S. Internal Revenue Code ("Section 409A") under Treas. Reg. § 1.409A-1(b)(6) (or any successor provision). Notwithstanding the foregoing, to the extent that the Board determines that the Plan or this award is subject to Section 409A, these Terms and Conditions shall be interpreted and administered in such a way as to comply with the applicable provisions of Section 409A to the maximum extent possible. To the extent that the Board determines that the Plan or this award is subject to Section 409A and fails to comply with the requirements of Section 409A, the Board reserves the right (without any obligation to do so) to amend or terminate the Plan and/or amend, restructure, terminate or replace this award in order to cause this award to either not be subject to Section 409A or to comply with the applicable provisions of such section.

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General Terms of Employment

- A. Except as otherwise required by law or legal process, the Grantee will not publish or divulge to any person, firm, corporation or institution and will not use to the detriment of Occidental, or any of its subsidiaries or other affiliates, or any of their respective officers, directors, employees or stockholders (collectively, "Occidental Parties"), at any time during or after the Grantee's employment by any of them, any trade secrets or confidential information of any of them (whether generated by them or as a result of any of their business relationships), including such information as described in Occidental's Code of Business Conduct and other corporate policies, without first obtaining the written permission of an officer of the Company.
- B. At the time of leaving employment with the Company, the Grantee will deliver to the Company, and not keep or deliver to anyone else, any and all credit cards, drawings, blueprints, specifications, devices, notes, notebooks, memoranda, reports, studies, correspondence and other documents, and, in general, any and all materials relating to the Occidental Parties (whether generated by them or as a result of their business relationships), including any copies (whether in paper or electronic form), that the Grantee has in the Grantee's possession or control.
- C. The Grantee will, during the Grantee's employment by the Company, comply with the provisions of Occidental's Code of Business Conduct.
- D. Except as otherwise required by the Grantee's job or permitted by law, the Grantee will not make statements about any Occidental Parties (1) to the press, electronic media, to any part of the investment community, to the public, or to any person connected with, employed by or having a relationship with any of them without permission of an officer of the Company or (2) that are derogatory, defamatory or negative. Nothing herein, however, shall prevent Grantee from making a good faith report or complaint to appropriate governmental authorities. To the fullest extent permitted by law, Grantee will not interfere with or disrupt any of the Company's operations or otherwise take actions intended directly to harm any of the Occidental Parties.
- E. All inventions, developments, designs, improvements, discoveries and ideas that the Grantee makes or conceives in the course of employment by the Company, whether or not during regular working hours, relating to any design, article of manufacture, machine, apparatus, process, method, composition of matter, product or any improvement or component thereof, that are manufactured, sold, leased, used or under development by, or pertain to the present or possible future business of the Company shall be a work-for-hire and become and remain the property of Occidental, its successors and assigns.

The provisions of this Section do not apply to an invention that qualifies fully under the provisions of Section 2870 of the California Labor Code, which provides in

substance that provisions in an employment agreement providing that an employee shall assign or offer to assign rights in an invention to his or her employer do not apply to an invention for which no equipment, supplies, facilities, or trade secret information of the employer was used and which was developed entirely on the employee's own time, except for those inventions that either (a) relate, at the time of conception or reduction to practice of the invention, (1) to the business of the employer or (2) to the employer's actual or demonstrably anticipated research or development, or (b) result from any work performed by the employee for the employer.

F. The foregoing General Terms of Employment are not intended to be an exclusive list of the employment terms and conditions that apply to the Grantee. The Company, in its sole discretion, may at any time amend or supplement the foregoing terms. The Grantee's breach of the foregoing General Terms of Employment will entitle the Company to take appropriate disciplinary action, including, without limitation, reduction of the Restricted Stock Incentive Award granted pursuant to these Terms and Conditions and termination of employment.

Attachment 2

Arbitration Provisions

Any dispute arising out of or in any way related to the Grantee's employment with the Company, or the termination of that employment, will be decided exclusively by final and binding arbitration pursuant to any procedures required by applicable law. To the extent not inconsistent with applicable law, any arbitration will be submitted to American Arbitration Association ("AAA") and subject to AAA Employment Arbitration Rules and Mediation Procedures in effect at the time of filing of the demand for arbitration. Only the following claims are excluded from these Terms and Conditions: (1) claims for workers' compensation, unemployment compensation, or state disability benefits, and claims based upon any pension or welfare benefit plan the terms of which contain an arbitration or other non-judicial dispute resolution procedure, (2) to the extent permitted by applicable law, claims for provisional remedies to maintain the status quo pending the outcome of arbitration, (3) claims based on compensation award agreements and incentive plans and (4) claims which are not permitted by applicable law to be subject to a binding pre-dispute arbitration agreement.

Any controversy regarding whether a particular dispute is subject to arbitration under this Section shall be decided by the arbitrator.

To the extent required under applicable law, the Grantee's responsibility for payment of the neutral arbitrator's fees and expenses shall be limited to an amount equal to the filing fee that would be required for a state trial court action and the Company shall pay all remaining fees and expenses of the arbitrator. Unless otherwise required under applicable law, the parties shall each pay their pro rata share of the neutral arbitrator's expenses and fees. Any controversy regarding the payment of fees and expenses under this arbitration provision shall be decided by the arbitrator.

The arbitrator may award any form of remedy or relief (including injunctive relief) that would otherwise be available in court. Any award pursuant to said arbitration shall be accompanied by a written opinion of the arbitrator setting forth the reason for the award. The award rendered by the arbitrator shall be conclusive and binding upon the parties hereto, and judgment upon the award may be entered, and enforcement may be sought in, any court of competent jurisdiction. To the extent not inconsistent with applicable laws, the arbitrator will have the authority to hear and grant motions.



**OCCIDENTAL PETROLEUM CORPORATION
2005 LONG-TERM INCENTIVE PLAN
TOTAL SHAREHOLDER RETURN INCENTIVE AWARD
TERMS AND CONDITIONS
(Equity-based, Equity and Cash-settled Award)**

DATE OF GRANT: October 13, 2010

PERFORMANCE SHARES: See Morgan Stanley Smith Barney Benefit Access “Other Awards/ My Awards/Awarded”

PERFORMANCE PERIOD: October 13, 2010 through October 12, 2013

The following **Terms and Conditions** (these “Terms and Conditions”) are set forth as of the Date of Grant between OCCIDENTAL PETROLEUM CORPORATION, a Delaware corporation (“Occidental” and, with its subsidiaries, the “Company”), and the Eligible Employee receiving this award (the “Grantee”).

1. **GRANT OF PERFORMANCE SHARES.** In accordance with these Terms and Conditions and the Occidental Petroleum Corporation 2005 Long-Term Incentive Plan, as the same may be amended from time to time (the “Plan”), Occidental grants to the Grantee as of the Date of Grant, the right to receive 50% in Shares and 50% in cash up to the number/value of Performance Shares. For the purposes of these Terms and Conditions, “Performance Shares” means a bookkeeping entry that records the equivalent of Shares awarded pursuant to Sections 4.2 and, to the extent applicable, 5.2 of the Plan that is payable upon the achievement of the Performance Goal. Performance Shares are not Shares and have no voting rights or, except as stated in Section 6, dividend rights.

2. **RESTRICTIONS ON TRANSFER.** (a) Neither these Terms and Conditions nor any right to receive Shares or cash pursuant to these Terms and Conditions may be transferred or assigned by the Grantee other than (i) to a beneficiary designated on a form approved by the Company (if enforceable under local law), by will or, if the Grantee dies without designating a beneficiary of a valid will, by the laws of descent and distribution, or (ii) pursuant to a domestic relations order, if applicable, (if approved or ratified by the Committee).

(b) Further, if the Grantee was a Named Executive Officer during the last completed fiscal year prior to vesting, then such Grantee shall retain Beneficial Ownership of Shares equal to not less than 50% of the net after-tax Shares received under these Terms and Conditions until the third anniversary date of the vesting of the Shares under this Award (the “Beneficial Ownership Period”). Compliance with the foregoing requirement shall be determined by reference to the reports filed by the Grantee on Forms 3, 4, and 5, as applicable, pursuant to Section 16(a) of the Securities Exchange Act of 1934 (the “Exchange Act”) and the aggregate number of Shares reported as Beneficially Owned during the Beneficial Ownership Period shall be not less than the sum of the number of Shares then required to be so owned pursuant to these Terms and Conditions and the terms and conditions of any other grant containing this or a similar requirement. For purposes of these Terms and Conditions, “Beneficial Ownership” has the meaning ascribed in Rule 16a-1(2) under the Exchange Act and “Named Executive Officer” has the meaning ascribed thereto pursuant to Item 402 of Regulation S-K under the Exchange Act.

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3. **PERFORMANCE GOAL.** The Performance Goal for the Performance Period is based on Total Shareholder Return (defined as Total Stockholder Return in the Plan) of the peer companies listed below and the S&P 500 Index, as set forth on Exhibit 1. Total Shareholder Return shall be calculated for each peer company using the average of its last reported sale price per share of common stock on the New York Stock Exchange - Composite Transactions for the last ten trading days preceding October 13, 2010 and the average of its last reported sale price per share of common stock on the New York Stock Exchange - Composite Transactions for the last ten trading days preceding October 12, 2013. In addition to Occidental, the peer companies are: Anadarko Petroleum Corporation, Apache Corporation, Canadian Natural Resources Limited, Chevron Corporation, ConocoPhillips, Devon Energy Corporation, EOG Resources, Inc., ExxonMobil Corporation, Hess Corporation, Marathon Oil Corporation and Royal Dutch Shell plc. If a peer company ceases to be a publicly-traded company at any time during the Performance Period, then such company will be removed as a peer company and the achievement of the Performance Goal will be determined with respect to the remaining peer companies as set forth on Exhibit 1.

4. **VESTING AND FORFEITURE OF PERFORMANCE SHARES.** (a) If the Grantee fails to accept this award prior to the next record date for the payment of dividends on the Common Stock subsequent to the Date of Grant, then, notwithstanding any other provision of this award, the Grantee shall forfeit all rights under this award and this award will become null and void. For purposes of this section, acceptance of the award shall occur on the date the Grantee accepts this Total Shareholder Return Incentive Award through Morgan Stanley Smith Barney Benefit Access or any replacement online system designated by the Company.

(b) The Grantee must remain in the continuous employ of the Company through the last day of the Performance Period to receive payment of this award. The continuous employment of the Grantee will not be deemed to have been interrupted by reason of the transfer of the Grantee’s employment among the Company and its affiliates or an approved leave of absence. However, if, prior to the end of the Performance Period, the Grantee dies or becomes permanently disabled while in the employ of the Company and terminates as a result thereof, retires with the consent of the Company, or terminates employment for the convenience of the Company (each of the foregoing, a “Forfeiture Event”), then the number of Performance Shares upon which the Grantee’s award is based will be reduced on a pro rata basis based upon the number of days remaining in the Performance Period following the date of the Forfeiture Event. If the Grantee terminates employment voluntarily or is terminated for cause before the end of the Performance Period, then these Terms and Conditions will terminate automatically on the date of Grantee’s termination and Grantee shall forfeit the right to receive any Shares or cash hereunder.

(c) The Grantee’s right to receive payment of this award in an amount not to exceed the Performance Shares, rounded up to the nearest whole share, will be based on, and become nonforfeitable upon the Committee’s certification of, the attainment of the Performance Goal.

(d) Notwithstanding Section 4(c), if a Change in Control event occurs prior to the end of the Performance Period, the Grantee’s right to receive payment at 50% of the Performance Share level (as adjusted for any Forfeiture Event pursuant to Section 4(b)) will become nonforfeitable. The right to receive Shares and cash in excess of 50% of the Performance Share level (as adjusted for any Forfeiture Event pursuant to Section 4(b)) will be forfeited.

Index) for the same period, the Grantee's right to receive Shares and cash in excess of 50% of the Performance Share level will be forfeited. This comparison shall be calculated using Occidental's Total Shareholder Return as defined under Section 3, and by using the average of the closing S&P 500 Index value for the last ten trading days preceding October 13, 2010 and the average of the closing S&P 500 Index value for the last ten trading days preceding October 12, 2013 to calculate the Total Shareholder Return for the S&P 500 Index.

5. **PAYMENT OF AWARDS.** The Performance Shares as adjusted pursuant to Sections 4 and 7 of these Terms and Conditions will be settled 50% in Shares and 50% in cash. The cash payment will equal the closing price of the Shares on the New York Stock Exchange on the date of the Committee's certification (the "Certification Date Value") of the attainment of the Performance Goal multiplied by 50% of the Performance Shares earned at the Performance Goal level attained and will be paid as promptly as practicable after such date. The Shares covered by these Terms and Conditions or any prorated portion thereof shall be issued to the Grantee as promptly as practicable after the Committee's certification of the attainment of the Performance Goal or the Change in Control event, as the case may be. Each of the cash payment and the Share issuance shall in any event be made no later than the 15th day of the third month following the end of the first taxable year in which the award is no longer subject to a substantial risk of forfeiture.

6. **CREDITING AND PAYMENT OF DIVIDEND EQUIVALENTS.** With respect to the number of Performance Shares listed above, the Grantee will be credited on the books and records of Occidental with an amount (the "Dividend Equivalent") equal to the amount per share of any cash dividends declared by the Board on the outstanding Shares as and when declared with a record date during the period beginning on the Date of Grant and ending with respect to any portion of the Performance Shares covered by these Terms and Conditions on the date on which the Committee certifies the attainment of the Performance Goal or the Change in Control event, as the case may be, or, if earlier, the date on which the Grantee forfeits the right to receive such portion. Occidental will pay in cash to the Grantee an amount equal to the Dividend Equivalents credited to such Grantee, adjusted, if appropriate, to reflect the same payment percentage that is used to determine the payment of the Performance Shares following certification of the attainment of the Performance Goal or the Change in control event, as the case may be, as promptly as may be practicable following such certification or Change in control event, but, in any event, no later than the 15th day of the third month following the end of the first taxable year in which the award is no longer subject to a substantial risk of forfeiture.

7. **ADJUSTMENTS.** (a) The number of Performance Shares or kind of shares of stock covered by these Terms and Conditions shall be adjusted as the Committee determines pursuant to Section 7.2 of the Plan in order to prevent dilution or expansion of the Grantee's rights under these Terms and Conditions as a result of events such as stock dividends, stock splits or other changes in the capital structure of Occidental, or any merger, consolidation, spin-off, liquidation or other corporate transaction having a similar effect. If any such adjustment occurs, the Company will give the Grantee written notice of the adjustment.

(b) In addition, the Committee may adjust the Performance Goal or other features of this Grant as permitted by Section 5.2.3 of the Plan.

8. **NO EMPLOYMENT CONTRACT.** Nothing in these Terms and Conditions confers upon the Grantee any right with respect to continued employment by the Company, nor limits in any manner the right of the Company to terminate the employment or adjust the compensation of the Grantee. Unless otherwise agreed in a writing signed by the Grantee and an authorized

representative of the Company, the Grantee's employment with the Company is at will and may be terminated at any time by the Grantee or the Company.

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

Prior to the relevant taxable event, the Grantee shall pay or make adequate arrangements satisfactory to the Company to satisfy all Tax-Related Items. In this regard, the Grantee authorizes the Company to withhold all applicable Tax-Related Items legally payable by the Grantee (A) in connection with the issuance of any Shares or the payment of cash or any other consideration pursuant to this Total Shareholder Return Incentive Award (other than the payment of Dividend Equivalents), 50% from any cash amount payable under these Terms and Conditions and 50% from the Shares that are issued or transferred to the Grantee pursuant to these Terms and Conditions, unless the Grantee otherwise instructs the Company in writing not less than thirty (30) days prior to the end of the Performance Period, or (B) in connection with the granting of Performance Shares or the payment of Dividend Equivalents pursuant to this grant of Performance Shares, from the Grantee's wages or other cash compensation (including Dividend Equivalents). The Grantee shall pay to the Company any amount of Tax-Related Items that the Company may be required to withhold as a result of the Grantee's receipt of this Total Shareholder Return Incentive Award that cannot be satisfied by the means previously described.

10. **COMPLIANCE WITH LAW.** The Company will make reasonable efforts to comply with all applicable federal, state and non-U.S. securities laws; however, the Company will not issue any Shares or other securities pursuant to these Terms and Conditions if their issuance would result in a violation of any such law. However, if it is not feasible for the Company to comply with such laws with respect to the grant or settlement of these awards, then the awards may be cancelled without any compensation or additional benefits provided to Grantee as a result of the cancellation.

11. **RELATION TO OTHER BENEFITS.** The benefits received by the Grantee under these Terms and Conditions will not be taken into account in determining any benefits to which the Grantee may be entitled under any profit sharing, retirement or other benefit or compensation plan maintained by the

Company, including the amount of any life insurance coverage available to any beneficiary of the Grantee under any life insurance plan covering employees of the Company. Additionally, the Performance Shares are not part of normal or expected compensation or salary for any purposes, including, but not limited to calculation of any

severance, resignation, termination, redundancy, end of service payments, bonuses or long-service awards. This grant of Performance Shares does not create any contractual or other right to receive future grants of Performance Shares, or benefits in lieu of Performance Shares, even if Grantee has a history of receiving Performance Shares or other stock or cash awards.

12. **AMENDMENTS.** The Plan may be modified, amended, suspended or terminated by the Board at any time, as provided in the Plan. Any amendment to the Plan will be deemed to be an amendment to these Terms and Conditions to the extent it is applicable to these Terms and Conditions; however, no amendment will adversely affect the rights of the Grantee under these Terms and Conditions without the Grantee's consent.

13. **SEVERABILITY.** If one or more of the provisions of these Terms and Conditions is invalidated for any reason by a court of competent jurisdiction, the invalidated provisions shall be deemed to be separable from the other provisions of these Terms and Conditions, and the remaining provisions of these Terms and Conditions will continue to be valid and fully enforceable.

14. **ENTIRE AGREEMENT; RELATION TO PLAN; INTERPRETATION.** Except as specifically provided in this Section, these Terms and Conditions, the Exhibit and the Attachments incorporated in these Terms and Conditions constitute the entire agreement between the Company and the Grantee with respect to this Total Shareholder Return Incentive Award. These Terms and Conditions are subject to the terms and conditions of the Plan. In the event of any inconsistent provisions between these Terms and Conditions and the Plan, the provisions of the Plan control. Capitalized terms used in these Terms and Conditions without definition have the meanings assigned to them in the Plan. References to Sections, Exhibits and Attachments are to Sections and Exhibits of, and Attachments incorporated in, these Terms and Conditions unless otherwise noted.

15. **SUCCESSORS AND ASSIGNS.** Subject to Sections 2 and 4, the provisions of these Terms and Conditions shall be for the benefit of, and be binding upon, the successors, administrators, heirs, legal representatives and assigns of the Grantee, and the successors and assigns of the Company.

16. **GOVERNING LAW.** The laws of the State of Delaware govern the interpretation, performance, and enforcement of these Terms and Conditions.

17. **PRIVACY RIGHTS.** By accepting this Total Shareholder Return Incentive Award, the Grantee explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of the Grantee's personal data as described in these Terms and Conditions by and among, as applicable, the Company and its affiliates for the exclusive purpose of implementing, administering and managing the Grantee's participation in the Plan. The Grantee understands that the Company holds or may receive from any agent designated by the Company certain personal information about the Grantee, including, but not limited to, the Grantee's name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any shares of stock or directorships held in the Company, details of this Total Shareholder Return Incentive Award or any other entitlement to shares of stock awarded, canceled, exercised, vested, unvested or outstanding in the Grantee's favor, for the purpose of implementing, administering and managing the Plan, including complying with applicable tax and securities laws ("Data"). Data may be transferred to any third parties assisting in the implementation, administration and management of the Plan. These recipients may be located in the Grantee's country or elsewhere, and may have different

data privacy laws and protections than the Grantee's country. By accepting these Terms and Conditions, the Grantee authorizes the recipients to receive, possess, use, retain and transfer the Data, in electronic or other form, for the purposes described above. The Grantee may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting the Committee in writing. Refusing or withdrawing consent may affect the Grantee's ability to participate in the Plan.

18. **ELECTRONIC DELIVERY AND ACCEPTANCE.** The Company may, in its sole discretion, decide to deliver any documents related to this Total Shareholder Return Incentive Award granted under the Plan or future awards that may be granted under the Plan (if any) by electronic means or to request the Grantee's consent to participate in the Plan by electronic means. The Grantee hereby consents to receive such documents by electronic delivery and, if requested, to participate in the Plan through an on-line or electronic system established and maintained by the Company or another third party designated by the Company.

19. **GRANTEE'S REPRESENTATIONS AND RELEASES.** By accepting this Total Shareholder Return Incentive Award, the Grantee acknowledges that the Grantee has read these Terms and Conditions and understands that (i) the grant of this Total Shareholder Return Incentive Award is made voluntarily by Occidental in its discretion with no liability on the part of any of its direct or indirect subsidiaries and that, if the Grantee is not an employee of Occidental, the Grantee is not, and will not be considered, an employee of Occidental but the Grantee is a third party (employee of a subsidiary) to whom this Total Shareholder Return Incentive Award is granted; (ii) all decisions with respect to future awards, if any, will be at the sole discretion of Occidental; (iii) the Grantee's participation in the Plan is voluntary; (iv) this Total Shareholder Return Incentive Award is an extraordinary item that does not constitute a regular and recurring item of base compensation; (v) the future value of any Shares issued pursuant to this Total Shareholder Return Incentive Award cannot be predicted and Occidental does not assume liability in the event such Shares have no value in the future; (vi) subject to the terms of any tax equalization agreement between the Grantee and the entity employing the Grantee, the Grantee will be solely responsible for the payment or nonpayment of taxes imposed or threatened to be imposed by any authority of any jurisdiction; and (vii) Occidental is not providing any tax, legal or financial advice with respect to this Total Shareholder Return Incentive Award or the Grantee's participation in the Plan.

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

By accepting this Total Shareholder Return Incentive Award, the Grantee agrees, to the extent not contrary to applicable law, to the General Terms of Employment set out on Attachment 1 and the Arbitration Provisions set out on Attachment 2, which, in each case, are incorporated in these Terms and Conditions by reference.

20. **RELATION TO EMPLOYMENT AGREEMENT.** In the event of any inconsistent provisions between these Terms and Conditions and any employment agreement between the Grantee and the Company, the provisions of these Terms and Conditions control except with respect to Attachment 2 Arbitration Provisions.

21. **IMPOSITION OF OTHER REQUIREMENTS.** Occidental reserves the right to impose other requirements on the Grantee's participation in the Plan and on the Total Shareholder Return Incentive Award, to the extent Occidental determines it is necessary or advisable in order to comply with local law or facilitate the administration of the Plan, and to require the Grantee to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

22. **COMPLIANCE WITH SECTION 409A OF THE INTERNAL REVENUE CODE.** All amounts payable under these Terms and Conditions are intended to comply with the "short term deferral" exception from Section 409A of the U.S. Internal Revenue Code ("Section 409A") specified in Treas. Reg. § 1.409A-1(b)(4) (or any successor provision). Notwithstanding the foregoing, to the extent that the Board determines that the Plan or this award is subject to Section 409A, these Terms and Conditions shall be interpreted and administered in such a way as to comply with the applicable provisions of Section 409A to the maximum extent possible. To the extent that the Board determines that the Plan or this award is subject to Section 409A and fails to comply with the requirements of Section 409A, the Board reserves the right (without any obligation to do so) to amend or terminate the Plan and/or amend, restructure, terminate or replace this award in order to cause this award to either not be subject to Section 409A or to comply with the applicable provisions of such section.

EXHIBIT 1

**2005 Long-Term Incentive Plan
2010 Total Shareholder Return Incentive Award**

Total Shareholder Return Payout Schedule

TSR Ranking	Payout as a % of Maximum
1 st	100%
2 nd	85%
3 rd	70%
4 th	60%
5 th	50%
6 th	40%
7 th	30%
8 th	20%
9 th	10%
10 th	0%
11 th	0%
12 th	0%

If any of the Peer Companies ceases to be a publicly-traded company during the Performance Period, such company shall be removed as a Peer Company. The remaining Peer Companies shall be ranked from first to last and the payout percentage for the award shall be determined under the above schedule based on the Company's ranking among the remaining Peer Companies, provided, that (1) the Committee may use its negative discretion to reduce the payout percentage associated with the Company's ranking, and (2) if the Company ranks last among the remaining Peer Companies, the payout percentage shall be 0%.

Attachment 1

General Terms of Employment

A. Except as otherwise required by law or legal process, the Grantee will not publish or divulge to any person, firm, corporation or institution and will not use to the detriment of Occidental, or any of its subsidiaries or other affiliates, or any of their respective officers, directors, employees or stockholders (collectively, "Occidental Parties"), at any time during or after the Grantee's employment by any of them, any trade secrets or confidential information of any of them (whether generated by them or as a result of any of their business relationships), including such information as described in Occidental's Code of Business Conduct and other corporate policies, without first obtaining the written permission of an officer of the Company.

B. At the time of leaving employment with the Company, the Grantee will deliver to the Company, and not keep or deliver to anyone else, any and all credit cards, drawings, blueprints, specifications, devices, notes, notebooks, memoranda, reports, studies, correspondence and other documents, and, in

general, any and all materials relating to the Occidental Parties (whether generated by them or as a result of their business relationships), including any copies (whether in paper or electronic form), that the Grantee has in the Grantee's possession or control.

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

D. Except as otherwise required by the Grantee's job or permitted by law, the Grantee will not make statements about any Occidental Parties (1) to the press, electronic media, to any part of the investment community, to the public, or to any person connected with, employed by or having a relationship with any of them without permission of an officer of the Company or (2) that are derogatory, defamatory or negative. Nothing herein, however, shall prevent Grantee from making a good faith report or complaint to appropriate governmental authorities. To the fullest extent permitted by law, Grantee will not interfere with or disrupt any of the Company's operations or otherwise take actions intended directly to harm any of the Occidental Parties.

E. All inventions, developments, designs, improvements, discoveries and ideas that the Grantee makes or conceives in the course of employment by the Company, whether or not during regular working hours, relating to any design, article of manufacture, machine, apparatus, process, method, composition of matter, product or any improvement or component thereof, that are manufactured, sold, leased, used or under development by, or pertain to the present or possible future business of the Company shall be a work-for-hire and become and remain the property of Occidental, its successors and assigns.

The provisions of this Section do not apply to an invention that qualifies fully under the provisions of Section 2870 of the California Labor Code, which provides in substance that provisions in an employment agreement providing that an employee shall assign or offer to assign rights in an invention to his or her employer do not apply to an invention for which no equipment, supplies, facilities, or trade secret information of the employer was used and which was developed entirely on the employee's own time, except for those inventions that either (a) relate, at the time of conception or reduction to practice of the invention, (1) to the business of the employer or (2) to the employer's actual or demonstrably anticipated research or development, or (b) result from any work performed by the employee for the employer.

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F. The foregoing General Terms of Employment are not intended to be an exclusive list of the employment terms and conditions that apply to the Grantee. The Company, in its sole discretion, may at any time amend or supplement the foregoing terms. The Grantee's breach of the foregoing General Terms of Employment will entitle the Company to take appropriate disciplinary action, including, without limitation, reduction of the Total Shareholder Return Incentive Award granted pursuant to these Terms and Conditions and termination of employment.

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Attachment 2

Arbitration Provisions

Any dispute arising out of or in any way related to the Grantee's employment with the Company, or the termination of that employment, will be decided exclusively by final and binding arbitration pursuant to any procedures required by applicable law. To the extent not inconsistent with applicable law, any arbitration will be submitted to American Arbitration Association ("AAA") and subject to AAA Employment Arbitration Rules and Mediation Procedures in effect at the time of filing of the demand for arbitration. Only the following claims are excluded from these Terms and Conditions: (1) claims for workers' compensation, unemployment compensation, or state disability benefits, and claims based upon any pension or welfare benefit plan the terms of which contain an arbitration or other non-judicial dispute resolution procedure, (2) to the extent permitted by applicable law, claims for provisional remedies to maintain the status quo pending the outcome of arbitration, (3) claims based on compensation award agreements and incentive plans and (4) claims which are not permitted by applicable law to be subject to a binding pre-dispute arbitration agreement.


Any controversy regarding whether a particular dispute is subject to arbitration under this Section shall be decided by the arbitrator.

To the extent required under applicable law, the Grantee's responsibility for payment of the neutral arbitrator's fees and expenses shall be limited to an amount equal to the filing fee that would be required for a state trial court action and the Company shall pay all remaining fees and expenses of the arbitrator. Unless otherwise required under applicable law, the parties shall each pay their pro rata share of the neutral arbitrator's expenses and fees. Any controversy regarding the payment of fees and expenses under this arbitration provision shall be decided by the arbitrator.

The arbitrator may award any form of remedy or relief (including injunctive relief) that would otherwise be available in court. Any award pursuant to said arbitration shall be accompanied by a written opinion of the arbitrator setting forth the reason for the award. The award rendered by the arbitrator shall be conclusive and binding upon the parties hereto, and judgment upon the award may be entered, and enforcement may be sought in, any court of competent jurisdiction. To the extent not inconsistent with applicable laws, the arbitrator will have the authority to hear and grant motions.

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Oxy News Release


Occidental Petroleum Corporation
 10889 Wilshire Boulevard
 Los Angeles, California 90024-4201
 310.208.8800
www.oxy.com

For Immediate Release: October 14, 2010

Occidental Petroleum Elects Howard I. Atkins to Board of Directors

LOS ANGELES, October 14, 2010 — Occidental Petroleum Corporation (NYSE:OXY) today announced that its Board of Directors has elected Mr. Howard I. Atkins to Occidental's Board, effective immediately.

Mr. Atkins, age 59, currently serves as Senior Executive Vice President and Chief Financial Officer of Wells Fargo & Company, where he is responsible for Wells Fargo's financial management functions, its investment portfolios and its corporate properties functions. A 37-year veteran of the financial services industry, Mr. Atkins previously served as Executive Vice President and Chief Financial Officer of New York Life Insurance Company, Chief Financial Officer of Midlantic Corporation and Corporate Treasurer of Chase Manhattan Bank.

The Board also announced that John S. Chalsty and Irvin W. Maloney, both of whom have passed the Board's retirement age of 75, have expressed their intention not to stand for re-election at the 2011 Annual Meeting of Occidental Stockholders.

Chairman and Chief Executive Officer Dr. Ray R. Irani and Lead Independent Director Aziz Syriani stated, "On behalf of the Board of Directors of Occidental Petroleum, we wish to express our sincere thanks to John Chalsty and Irv Maloney for their many extraordinary and valuable contributions. We wish them well in their future endeavors. We also welcome Mr. Atkins to the Board of Directors and look forward to working with him."

The Board also intends to nominate a new Director candidate for election to the Board prior to the 2011 Annual Meeting.

ABOUT OXY

Occidental Petroleum Corporation is an international oil and gas exploration and production company with operations in the United States, Middle East/North Africa and Latin America regions. Oxy is the fourth-largest U.S. oil and gas company, based on equity market capitalization. Oxy's wholly owned subsidiary, OxyChem, manufactures and markets chlor-alkali products and vinyls. Occidental is committed to safeguarding the environment, protecting the safety and health of employees and neighboring communities and upholding high standards of social responsibility in all of the company's worldwide operations.

Forward-Looking Statements

Portions of this press release contain forward-looking statements and involve uncertainties that could materially affect expected results. Words such as "intend", "project", "predict", "will", "would", "should", "could", "may", "might", "anticipate", "plan", "believe", "expect" or similar expressions that convey the uncertainty of future events or outcomes generally indicate forward-looking statements. You should not place undue reliance on these forward-looking statements, which speak only as of the date of this release. Factors that could cause results to differ materially include, but are not limited to: actions by third parties, including actions by competitors, litigation, reconsideration of decisions in light of new information or the passage of time and increases in competition for leadership talent. Unless legally required, Occidental does not undertake any obligation to update any forward-looking statements, as a result of new information, future events or otherwise.

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For Immediate Release: October 14, 2010

Occidental Petroleum Announces CEO Succession Plan

- Stephen I. Chazen Will Become President and Chief Executive Officer in May 2011
- Dr. Ray R. Irani Will Continue to Serve Occidental as Executive Chairman

LOS ANGELES, October 14, 2010 — Occidental Petroleum Corporation (NYSE:OXY) today announced that Dr. Ray R. Irani has informed the Board of Directors of his desire to relinquish the position of Chief Executive Officer, effective at the May 2011 Annual Meeting of Stockholders, but to continue as full-time Executive Chairman. At a Board of Directors meeting on October 13, 2010, the Board decided, based on Dr. Irani's recommendation, that President and Chief Operating Officer Stephen I. Chazen will succeed Dr. Irani as Chief Executive Officer at the 2011 Annual Meeting and that at that time, Dr. Irani will transition to a new full-time role of Executive Chairman, to focus primarily on corporate strategy, Middle East operations and international business development. In addition, several Corporate functions will continue to report to him. Dr. Irani also informed the Board of his intention to retire at the end of 2014.

Dr. Irani said, "Steve is a proven leader who has been an integral member of the senior management team for many years, and I am confident that he will continue to make significant contributions to Occidental's ongoing success and development."

Aziz D. Syriani, Lead Independent Director of Occidental's Board, said on behalf of the Board of Directors, "Dr. Irani has been an outstanding CEO who has brought great vision to the Company, and the Board is extremely pleased that Occidental shareholders will continue to benefit from his strengths in his new role. Dr. Irani and Mr. Chazen have had a productive partnership for many years, and the Board believes that a continuation of this partnership is in the best interests of Occidental and its stockholders."

Mr. Chazen commented, "Dr. Irani has been an outstanding leader and mentor and I look forward to continuing to work with him to continue to build and deliver value for our stockholders."

Mr. Chazen has 30 years' experience in the oil and gas industry. He joined Occidental in 1994 as Executive Vice President — Corporate Development. He was named Chief Financial Officer in 1999, elected President and Chief Financial Officer in 2007, and became President and Chief Operating Officer in August 2010. He was also elected to the Board of Directors in 2010. Prior to joining Occidental, Mr. Chazen was a managing director in the investment banking group of Merrill Lynch & Co.

Dr. Irani joined the Company in 1983 as Chairman and Chief Executive Officer of Occidental Chemical Corporation. Since becoming Chairman and Chief Executive Officer of Occidental Petroleum Corporation in 1990, Dr. Irani has been instrumental in transforming Occidental from a conglomerate of unrelated business entities with a market capitalization of \$5 billion into the fourth-largest oil and gas company in the United States with a market capitalization of \$66 billion — an increase of 1,112 percent. Under Dr. Irani's leadership, Occidental has led its proxy peer group in total stockholder return — with cumulative returns of 76 percent over the past three years, 204 percent over the past five years and 870 percent over the past 10 years. Dr. Irani also has developed extensive personal relationships with government leaders throughout the Middle East and the rest of the world.

ABOUT OXY

Occidental Petroleum Corporation is an international oil and gas exploration and production company with operations in the United States, Middle East/North Africa and Latin America regions. Oxy is the fourth-largest U.S. oil and gas company, based on equity market capitalization. Oxy's wholly owned subsidiary, OxyChem, manufactures and markets chlor-alkali products and vinyls. Occidental is committed to safeguarding the environment, protecting the safety and health of employees and neighboring communities and upholding high standards of social responsibility in all of the company's worldwide operations.

Forward-Looking Statements

Portions of this press release contain forward-looking statements and involve uncertainties that could materially affect expected results. Words such as "intend", "project", "predict", "will", "would", "should", "could", "may", "might", "anticipate", "plan", "believe", "expect" or similar expressions that convey the uncertainty of future events or outcomes generally indicate forward-looking statements. You should not place undue reliance on these forward-looking statements, which speak only as of the date of this release. Factors that could cause results to differ materially include, but are not limited to: actions by third parties, including actions by competitors, litigation, reconsideration of decisions in light of new information or the passage of time and increases in competition for leadership talent. Unless legally required, Occidental does not undertake any obligation to update any forward-looking statements, as a result of new information, future events or otherwise.

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For Immediate Release: October 14, 2010

Occidental Petroleum Announces Significant Changes to
Executive Compensation Program

LOS ANGELES, October 14, 2010 — Occidental Petroleum Corporation (NYSE:OXY) today announced that its Board of Directors has approved significant changes to its executive long-term incentive compensation program that will substantially reduce the Company's overall compensation levels to be more in line with its peers. The new program will neutralize the potential impact of commodity pricing and further align the interests of senior executives with those of Occidental shareholders.

The new program resulted from a comprehensive review of the Company's compensation practices, which included consultations with independent compensation consultants and many productive discussions with a large number of Occidental stockholders and their representatives.

The new program applies to Chairman and Chief Executive Officer Dr. Ray R. Irani, President and Chief Operating Officer Stephen I. Chazen and other senior Occidental executives. Highlights of the new compensation program and the grants that were made available on October 13, 2010, are as follows:

- The new executive long-term incentive compensation program utilizes a combination of long-term incentives, a substantial portion of which are performance-based Total Shareholder Return Incentives ("TSRIs").
- The TSRIs are based on a sliding scale, measured against the relative performance of a 12-company industry peer group. For example, if Occidental performs in the bottom 25 percent of its peer group over a 3-year period from the date of the award, Dr. Irani and Mr. Chazen will not receive any TSRI-related compensation. Based on grant date fair values, if the Company ranks 6th among the 12-company peer group, their TSRIs will pay out at \$8,000,000 and \$6,400,000, respectively, which are substantially lower than in previous years.
- Maximum payout for the TSRIs, which will also be substantially lower than in previous plans, will occur only if Occidental's cumulative 3-year TSRI performance ranks 1st among its 12 peer companies and outperforms the S&P 500. The maximum TSRI-related payout for Dr. Irani and Mr. Chazen, if Occidental ranks 1st, would be \$20,000,000 and \$16,000,000, respectively, as of the grant date.
- The remaining portion of long-term incentives will be an allotment of tax-qualified Restricted Shares. These shares will have a minimum vesting period of three years and are valued as of the grant date at \$5,000,000 for Dr. Irani and \$4,000,000 for Mr. Chazen.

Under the new program, at all performance levels, the compensation for Occidental's Chairman and Chief Executive Officer is expected to be lower than that of one or more peer companies based on the latest publicly available data provided by these companies.

The new compensation program maintains Occidental's overall approach of incentivizing and rewarding superior performance in support of Occidental's long-term strategic goals by providing executives with a substantial portion of long-term, at-risk compensation and relatively low levels of non-performance-based compensation, including base salaries that are lower than virtually all those reported by its peers.

Secretary Spencer Abraham, Chairman of the Compensation Committee, stated, "At the 2010 Annual Meeting last May, the Board informed our stockholders that Aziz Syriani, our Lead Independent Director, and I would be meeting in the next several months with our stockholders to assess their views of appropriate changes to our compensation program. We also met with outside compensation consultants to seek their advice.

"This shareholder input and consultant advice has been extremely valuable in helping us to redesign our compensation program, and we are grateful for the feedback we have received over the past several months. We look forward to continuing this constructive dialogue as we implement our new policies."

Secretary Abraham added, "Throughout this process, our goal has been to redesign Occidental's compensation program to bring compensation in the ranges used by our peer companies, provide the proper incentives for our executives, reflect current best practices, and address concerns raised by investors."

ABOUT OXY

Occidental Petroleum Corporation is an international oil and gas exploration and production company with operations in the United States, Middle East/North Africa and Latin America regions. Oxy is the fourth-largest U.S. oil and gas company, based on equity market capitalization. Oxy's wholly owned subsidiary, OxyChem, manufactures and markets chlor-alkali products and vinyls. Occidental is committed to safeguarding the environment, protecting the safety and health of employees and neighboring communities and upholding high standards of social responsibility in all of the company's worldwide operations.

Forward-Looking Statements

Portions of this press release contain forward-looking statements and involve uncertainties that could materially affect expected results. Words such as "intend", "project", "predict", "will", "would", "should", "could", "may", "might", "anticipate", "plan", "believe", "expect" or similar expressions that convey the uncertainty of future events or outcomes generally indicate forward-looking statements. You should not place undue reliance on these forward-looking statements, which speak only as of the date of this release. Factors that could cause results to differ materially include, but are not limited to: actions by third parties, including actions by competitors, litigation, reconsideration of decisions in light of new information or the passage of time and increases in competition for leadership talent. Unless legally required, Occidental does not undertake any obligation to update any forward-looking statements, as a result of new information, future events or otherwise.

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Occidental Petroleum CorporationCalSTRS/Relational InvestorsTerm SheetSuccession Planning

- The OPC Board shall elect Steve Chazen as CEO, and shall concurrently elect Ray Irani as Executive Chairman, during 2011.
- Ray Irani shall continue as Executive Chairman at the discretion of the Board, but no longer than the date of his retirement from the Board on December 31, 2014.

Compensation

- The OPC Board shall reduce targeted and maximum compensation awards of the CEO to levels commensurate with peer group CEO's.
- Executive Chairman compensation shall be commensurate with comparable positions taking into account responsibilities and value added, but in no event shall exceed CEO compensation through the term.
- The OPC Board shall continue the current policy of having the substantial majority of executive pay be performance based (e.g. TSR and/or ROE/C metrics).
- The OPC Board shall clearly explain how and why it sets specific compensation targets.

Governance

- Effective beginning at the May 2015 Annual Meeting, the OPC Board shall enforce the mandatory retirement age policy to require that no person 75 or older shall be nominated as a director.
- Henceforth, waivers of the age 75 age limit shall be granted only to Wally Weisman (through 2011) and Ray Irani (through 2014).
- The OPC Board shall adopt majority voting in elections of directors; but any incumbent director who fails to receive a majority vote may serve until October 31st of the year of such election (to allow the Board time to find a replacement director).
- The OPC Board shall eliminate the Executive Committee, so that this function shall become the responsibility of the full Board.
- The shareholders of the Company shall be given an opportunity at the May 2014 Annual Meeting to vote for or against a bylaw amendment splitting the CEO/Chairman role. The company will take a neutral or positive position on the issue.

Board Representation

- The OPC Board shall elect one unaffiliated nominee of CalSTRS/RI to the Board effective no later than 12/31/10. The Corporate Governance Committee will interview the candidate prior to their election. The nominee shall serve as a member of the Corporate Governance Committee or the Compensation Committee through at least the 2014 Annual Meeting.

Other

- None of the parties to this agreement shall make any public or press comments regarding these matters until the earlier of either a signed resolution among CalSTRS/RI and OXY or October 31, 2010.
 - Any significant investor shall be given the opportunity to meet with the Lead Independent Director, the Chairman of the Corporate Governance Committee or the Chairman of the Compensation Committee each year through 2013.
 - CalSTRS/RI shall vote all shares held by them and otherwise allied with them for all Board candidates and Board supported proposals for the 2011 Annual Meeting. In addition, CalSTRS/RI shall vote in support of all Board recommendations regarding any shareholder proposal related to subject matter directly or indirectly addressed in this agreement for the 2011 Annual Meeting.
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MEMORANDUM OF UNDERSTANDING

The undersigned parties to the shareholder action entitled *Resnik v. Abraham, et al.*, Case No. 1:10-cv-00390-RK (the "Action"), now pending in the United States District Court for the District of Delaware (the "Court"), have reached an agreement in principle providing for the settlement of this action on the terms and subject to the conditions set forth below.

WHEREAS, the plaintiff in the Action is Ruby Resnik ("Plaintiff") and the defendants in the Action are Spencer Abraham ("Abraham"), William Albrecht ("Albrecht"), Donald P. de Brier ("de Brier"), John S. Chalsty ("Chalsty"), Stephen I. Chazen ("Chazen"), Edward P. Djerejian ("Djerejian"), John E. Feick ("Feick"), Carlos M. Gutierrez ("Gutierrez"), Ray R. Irani ("Irani"), Irwin W. Maloney ("Maloney"), R. Casey Olsen ("Olsen"), Avedick Poladian ("Poladian"), Rodolfo Segovia ("Segovia"), Aziz D. Syriani ("Syriani"), Rosemary Tomich ("Tomich"), Walter L. Weisman ("Weisman"), Pearl Meyer & Partners, LLC ("Pearl Meyer"), and Occidental Petroleum Corporation ("Occidental" or the "Company") (collectively, the "Defendants");

WHEREAS, the Action seeks relief both directly against the Defendants and on behalf of defendant Occidental based on, among other things, alleged violations of Section 14(a) of the Securities Exchange Act of 1934, breaches of fiduciary duties, and corporate waste;

WHEREAS, Plaintiff alleges, more specifically, that: (i) the compensation paid to the individual Defendants in 2009 was excessive and unreasonable; (ii) Occidental's March 23, 2010 proxy statement (the "Proxy") was false and misleading in representing to shareholders that certain incentive compensation awards paid under the Company's Long Term Incentive Plan (the "LTIP") could be tax deductible; and (iii) the Proxy was

MEMORANDUM OF UNDERSTANDING

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false and misleading in representing to shareholders that the Company adheres to "pay-for-performance" principles in awarding executive compensation;

WHEREAS, following the advisory vote on executive compensation at the Company's annual meeting on Friday, May 7, 2010, the Compensation Committee of Occidental's Board of Directors (the "Compensation Committee") discussed the need to reevaluate the Company's executive compensation philosophy and practices;

WHEREAS, the Action was filed on Monday, May 10, 2010 and an amended complaint was filed on August 9, 2010 (the "Amended Complaint") challenging the Company's executive compensation philosophy and practices;

WHEREAS, on September 8, 2010, Defendants filed motions to dismiss that, if granted, would dispose of the Action in its entirety;

WHEREAS, the parties had a preliminary settlement meeting, at which Plaintiff's counsel made recommendations about proposed changes to the Company's corporate governance, executive compensation and shareholder disclosures;

WHEREAS, following that meeting, Plaintiff's counsel made a written demand for a meeting with a representative of the Compensation Committee to discuss Plaintiff's proposals;

WHEREAS, with defense counsel present the Chairman of the Compensation Committee participated in a telephonic meeting with Plaintiff's counsel, during which counsel made a presentation regarding Plaintiff's complaint and changes to the Company's corporate governance, executive compensation, and shareholder disclosures that could serve as the basis for a potential resolution;

WHEREAS, the Chairman of the Compensation Committee reported back to the Compensation Committee on the substance of Plaintiff's counsel's presentation and the Committee agreed to take Plaintiff's proposals into account in its evaluation of the

MEMORANDUM OF UNDERSTANDING

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Company's executive compensation philosophy and practices, and shareholder disclosures;

WHEREAS, the parties continued to discuss and negotiate possible changes to the Company's corporate governance, executive compensation and shareholder disclosures, including in at least one additional in-person meeting among counsel for the parties, until they finally reached an agreement in principle providing for the proposed settlement of the Action (the "Settlement") on the terms and conditions set forth in this Memorandum of Understanding ("MOU");

WHEREAS, Defendants deny the allegations and all other charges of wrongdoing or liability arising out of any conduct, statements, acts or omissions relating to Occidental's executive compensation system, the Proxy, or any other alleged wrongdoing that was contained or could have been contained in the Amended Complaint;

WHEREAS, Plaintiff acknowledges and agrees that the execution of this MOU by the Defendants is not an admission on the part of any of the Defendants that they have in any way committed or attempted to commit any violation of law or breach of fiduciary duty, including a breach of any duty to Occidental, its shareholders or otherwise acted in any improper manner;

WHEREAS, Defendants acknowledge and agree that the execution of this MOU by Plaintiff is not an admission on the part of the Plaintiff that the amended complaint lacks merit, is not sufficient, or otherwise does not assert viable and triable claims as alleged; and

WHEREAS, the parties believe that the proposed Settlement is in the best interests of Occidental and its shareholders.

NOW, THEREFORE, IT IS HEREBY STIPULATED AND AGREED, subject to approval of Occidental's Board and the Court, by and among the parties hereto, as follows:

MEMORANDUM OF UNDERSTANDING

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1. Changes To Executive Compensation, Corporate Governance, And Shareholder Disclosures. In connection with the Settlement, Occidental will implement the following changes:

(a) Executive Compensation. For compensation awarded after the date of this Settlement:

(i) The Occidental Board shall reduce the dollar value of targeted and maximum compensation awards of the Company's Chief Executive Officer to levels commensurate with peer group chief executives.

(ii) Executive Chairman compensation shall be commensurate with comparable positions taking into account responsibilities and value added, but in no event shall exceed the Chief Executive Officer's compensation through the tenure of the Executive Chairman position.

(iii) In an effort to reduce the level of executive compensation awards, the Compensation Committee shall cease granting Return on Equity Incentive Awards, which were based on the Company's cumulative return on equity over a three-year period. The Compensation Committee shall continue to award Total Stockholder Return Incentives ("TSRIs"), but will broaden the peer group of oil and gas companies to 12 peer companies including Occidental (up from the prior group of nine peer companies). The Compensation Committee shall also grant restricted stock awarded which will vest no earlier than three years from the date of the grant and will be subject to attainment of a cumulative reported net income target.

(iv) The Occidental Board shall continue the current policy of having the substantial majority of executive pay be performance based.

(v) Nothing in this Settlement shall preclude the Compensation Committee from regularly reviewing the structure and metrics used in executive

MEMORANDUM OF UNDERSTANDING

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compensation awards and making any changes in the future that it believes, in its business judgment, are appropriate and desirable.

(b) Corporate Governance

(i) The Occidental Board shall create a new position of Executive Chairman of the Board. The Board shall delineate the duties of the Executive Chairman as contrasted from the duties of the Chief Executive Officer.

(ii) The Board shall appoint a new Chief Executive Officer of the Company in 2011. The Board currently intends to appoint Irani as Executive Chairman and Chazen as Chief Executive Officer.

(iii) Irani shall continue to serve as Executive Chairman at the discretion of the Occidental Board, but in any event no longer than the date of his retirement from the Board on December 31, 2014. Upon retirement from the Board and as Executive Chairman, Irani shall receive all of the benefits and perquisites to which he is entitled under his employment agreement, dated October 9, 2008.

(iv) On a going forward basis, waivers of the age limit of 75 for directors shall be granted only to Weisman (through 2011) and Irani (through 2014).

(v) Effective at the May 2015 annual meeting of the Company, the Occidental Board shall enforce the mandatory retirement age policy to require that no person 75 or older shall be nominated as a director.

(vi) The Occidental Board shall adopt majority voting in elections of directors, but any incumbent director who fails to receive a majority vote may serve until October 31 of the year of such election (to allow the Board time to find a replacement director).

(vii) The Occidental Board shall eliminate the Executive Committee, with the Executive Committee's prior function becoming the responsibility of the entire Board.

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(viii) The Company's shareholders shall be given an opportunity at the May 2014 Annual Meeting to vote for or against a bylaw amendment splitting the Chief Executive Officer and Chairman roles. The Company will take a neutral or positive position on the issue.

(ix) Nothing in this Settlement shall preclude the Board from regularly reviewing the Company's corporate governance structure and making any changes in the future, including the appointment, termination or repositioning of executives, that it believes, in its business

judgment, are appropriate and desirable.

(c) Disclosures

(i) The Occidental Board shall clearly explain to shareholders how and why it sets specific compensation targets.

(ii) Proxy statements issued to shareholders shall explain the meaning of “at risk” in describing the Company’s “at risk, long term” incentive based approach to executive compensation.

(iii) Proxy statements shall delineate for shareholders what executive compensation awards are expected to be tax deductible under Section 162(m) of the Internal Revenue Code (“Section 162(m)”) and those awards that are not expected to be tax deductible.

(iv) Any proxy statements that solicit shareholder reapproval of the material terms of the LTIP shall include as an exhibit the LTIP in its entirety.

2. Settlement Documentation. The parties to the Action will attempt in good faith to agree upon and execute an appropriate Stipulation of Settlement (the “Stipulation”) and such other documentation as may be required to obtain final approval of the Settlement and dismissal of the Action upon the terms outlined in this MOU (collectively, the “Settlement Documents”). The Stipulation will expressly provide for, among other things: (i) notice of the Settlement to be given to shareholders on the

MEMORANDUM OF UNDERSTANDING

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Company’s website and published in a national publication such as *USA Today* or such other notice as the Court may require (with such notice to be paid for by, or on behalf of, Defendants); (ii) entry of a judgment of dismissal with prejudice in the Action; (iii) a release and settlement of all known and unknown claims for damages, injunctive relief, or any other remedies against Plaintiff, their attorneys, respective predecessors, successors, parents, subsidiaries, affiliates and agents based upon, arising from, or related to the subject matter of the Action; and (iv) a release and settlement of all known and unknown claims for damages, injunctive relief, or any other remedies against all of the Defendants, their respective predecessors, successors, parents, subsidiaries, affiliates, attorneys, and agents which have been or could have been asserted by Plaintiff or derivatively on behalf of Occidental based upon, arising from, or related to the subject matter of the Action (the “Released Claims”). Should the parties be unable to reach agreement on a Stipulation, then this MOU shall become final and binding, subject to the conditions set forth in Section 6 below.

3. Waiver Of California Civil Code Section 1542 And Similar Provisions. The Stipulation shall include a waiver of the provisions of California Civil Code section 1542 and any similar provision of the law of any other jurisdiction concerning all known and unknown claims which have been or could have been asserted in the Action.

4. Settlement Approval. The Settlement is subject to final approval by the Court and dismissal of the Action with prejudice and without awarding costs to any party (except as provided in Section 5 below). The parties shall submit the Settlement Documents first to the Court and then, upon preliminary approval, provide notice to shareholders of the proposed Settlement.

5. Attorneys’ Fees. Subject to Court approval, Occidental, its insurers, or their respective successors in interest shall pay Plaintiff attorneys’ fees in the amount of \$525,000.00 and documented expenses not to exceed \$30,000.00 (the “Fees and Expenses”). The Fees and Expenses shall be paid to Barrack, Rodos & Bacine within

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fifteen (15) business days after the date on which Defendants receive notice of the entry of the Court’s Order and Final Judgment in the Action. Payment shall be subject to Plaintiff’s counsel’s joint and several obligations to make appropriate refunds or repayments to the Company if, as a result of any appeal and/or further proceedings on remand, or successful collateral attack, the amount of Fees and Expenses is reduced. Except as expressly provided herein, Plaintiff and Plaintiff’s counsel shall bear their own fees, costs and expenses, and no defendant shall assert any claim for expenses, costs and fees against Plaintiff, or Plaintiff’s counsel. The Settlement is not in any way conditioned upon the Court’s awarding of attorneys’ fees in any amount.

6. Conditions of Settlement. The Settlement shall not become effective until the first date all of the following conditions have been satisfied, unless one or more of the conditions is expressly waived in writing by counsel for each of the parties:

(a) Approval by the Occidental Board of this MOU;

(b) Occidental has adopted or agreed to adopt the changes outlined in Section 1 above;

(c) The entry of judgment by the Court in the Action approving the Settlement and dismissing with prejudice the Action without awarding costs to any party, except as provided herein;

(d) The judgment referred to in subsection (c) above shall have become final and no longer subject to review, either by the expiration of the time for appeals therefrom with no appeals having been taken or, if an appeal is taken and not dismissed, by the determination of the appeal by the highest court to which such appeal may be taken in such a manner as to permit the consummation of the Settlement in accordance with the terms and conditions of the Stipulation. The finality of the judgment shall not be affected by an appeal solely of any fee award to Plaintiff’s counsel.

7. Failure To Satisfy Conditions. This MOU shall be null and void and of no force and effect if any of the conditions set forth in Section 6 are not met. If the

Settlement outlined in this MOU is terminated or does not become effective, then this MOU shall not be deemed to prejudice in any way the positions of the parties with respect to the Action, or to constitute an admission of fact by any party, and shall not entitle any party to recover any costs or expenses incurred in connection with the implementation of this MOU, except as provided herein.

8. Counterparts. This MOU may be executed in counterparts, including by signature transmitted by facsimile. Each counterpart when so executed shall be deemed to be an original, and all such counterparts together shall constitute the same instrument. The undersigned signatories represent that they have authority from their clients to execute this MOU.

9. Governing Law. Occidental is a Delaware corporation governed by Delaware law. This MOU and the Settlement contemplated by it shall be governed by, and construed in accordance with, the laws of the State of Delaware without regard to conflict of laws principles.

10. Successors And Assigns. Except as otherwise provided herein, this MOU shall be binding upon and shall inure to the benefit of the parties and their respective agents, successors, executors, heirs and assigns.

11. Modification. This MOU may be modified or amended only by a writing signed by all of the signatories hereto.

12. Best Efforts. The parties agree to take all reasonable and necessary steps to expeditiously implement the terms of this MOU and to complete the Settlement in an expeditious manner.

13. No Admission Of Liability. Neither the existence of this MOU nor the provisions contained herein shall be deemed a presumption, concession or admission by Occidental or any of the Defendants of any breach of duty, liability, default or wrongdoing as to any facts or claims alleged or asserted in the Action, or in any other actions or proceedings, and shall not be interpreted, construed, deemed, invoked, offered

MEMORANDUM OF UNDERSTANDING

or received in evidence or otherwise used in the Action or any other action or proceeding of any nature whatsoever.

IT IS HEREBY AGREED by the undersigned as dated below.

DATED: October 13, 2010

BARRACK, RODOS & BACINE

By: /s/ A. Arnold Gershon

A. ARNOLD GERSHON

Attorneys for Plaintiff

DATED: October 13, 2010

SKADDEN, ARPS, SLATE, MEAGHER & FLOM LLP

By: /s/ Eric Waxman

ERIC S. WAXMAN

Attorneys for Defendants William Albrecht, Donald P. de Brier, Stephen I. Chazen, Ray R. Irani, R. Casey Olsen, and Nominal Defendant Occidental Petroleum Corporation

DATED: October 13, 2010

RICHARDS, LAYTON & FINGER LLP

By: /s/ Allen M. Terrell

ALLEN TERRELL

Attorneys for Defendants Spencer Abraham, John S. Chalsty, Edward P. Djerejian, John E. Feick, Carlos M. Gutierrez, Irvin W. Maloney, Avedick Poladian, Rodolfo Segovia, Aziz D. Syriani, Rosemary Tomich, and Walter L. Weisman

DATED: October 13, 2010

FRIED, FRANK, HARRIS, SHRIVER & JACOBSON LLP

By: /s/ Peter L. Simmons

PETER L. SIMMONS

Attorneys for Defendant Pearl Meyer & Partners, LLC

MEMORANDUM OF UNDERSTANDING