

REGISTRATION NO. 333-69303

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SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549  
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PRE-EFFECTIVE

AMENDMENT NO. 1

TO  
FORM S-3  
REGISTRATION STATEMENT  
UNDER  
THE SECURITIES ACT OF 1933  
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OCCIDENTAL PETROLEUM CORPORATION	DELAWARE	95-4035997
OXY CAPITAL TRUST I	DELAWARE	95-7065346
OXY CAPITAL TRUST II	DELAWARE	95-7065347
OXY CAPITAL TRUST III	DELAWARE	95-7065348

(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER) (STATE OR OTHER JURISDICTION OF INCORPORATION OR ORGANIZATION) (I.R.S. EMPLOYER IDENTIFICATION NO.)

10889 WILSHIRE BOULEVARD  
LOS ANGELES, CALIFORNIA 90024  
(310) 208-8800

(ADDRESS, INCLUDING ZIP CODE, AND TELEPHONE NUMBER, INCLUDING AREA CODE, OF EACH REGISTRANT'S PRINCIPAL EXECUTIVE OFFICES)

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DONALD P. DE BRIER, ESQ.  
EXECUTIVE VICE PRESIDENT, GENERAL COUNSEL AND CORPORATE SECRETARY  
OCCIDENTAL PETROLEUM CORPORATION  
10889 WILSHIRE BOULEVARD  
LOS ANGELES, CALIFORNIA 90024  
(310) 208-8800

(NAME, ADDRESS, INCLUDING ZIP CODE, AND TELEPHONE NUMBER, INCLUDING AREA CODE, OF AGENT FOR SERVICE)

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APPROXIMATE DATE OF COMMENCEMENT OF PROPOSED SALE TO THE PUBLIC: From time to time after this Registration Statement becomes effective.

If the only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, please check the following box.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, please check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If delivery of the prospectus is expected to be made pursuant to Rule 434,

please check the following box. [X]

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THE REGISTRANTS HEREBY AMEND THIS REGISTRATION STATEMENT ON SUCH DATE OR DATES AS MAY BE NECESSARY TO DELAY ITS EFFECTIVE DATE UNTIL THE REGISTRANTS SHALL FILE A FURTHER AMENDMENT WHICH SPECIFICALLY STATES THAT THIS REGISTRATION STATEMENT SHALL THEREAFTER BECOME EFFECTIVE IN ACCORDANCE WITH SECTION 8(a) OF THE SECURITIES ACT OF 1933 OR UNTIL THE REGISTRATION STATEMENT SHALL BECOME EFFECTIVE ON SUCH DATE AS THE COMMISSION, ACTING PURSUANT TO SAID SECTION 8(a), MAY DETERMINE.

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SUBJECT TO COMPLETION, DATED JANUARY 6, 1999

PROSPECTUS

\$1,400,000,000

[LOGO OF OCCIDENTAL PETROLEUM CORPORATION]

OCCIDENTAL PETROLEUM CORPORATION

Senior Debt Securities and Subordinated Debt Securities

OXY CAPITAL TRUST I  
OXY CAPITAL TRUST II  
OXY CAPITAL TRUST III

Preferred Securities Guaranteed To The Extent Set Forth Herein By  
Occidental Petroleum Corporation

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OCCIDENTAL:

- . will pay principal, premium (if any) and interest on its senior debt securities and, subject to payment of its senior debt securities, on its subordinated debt securities; and
- . will guarantee the payment by each trust of the preferred securities based on several obligations described in this prospectus.

THE TRUSTS:

Oxy Capital Trust I, Oxy Capital Trust II and Oxy Capital Trust III are Delaware business trusts. Each trust will:

- . sell preferred securities (representing undivided beneficial interests in the trust) to the public;
- . sell common securities (representing undivided beneficial interests in the trust) to Occidental;
- . use the proceeds from these sales to buy an equal amount of subordinated debt securities of Occidental; and
- . distribute the cash payments it receives on the subordinated debt securities it owns to the holders of the preferred and common securities.

We will provide the specific terms of these securities in supplements to this prospectus. You should read this prospectus and any supplement carefully before you invest.

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Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus or the accompanying prospectus supplement is truthful or complete. Any representation to the contrary is a criminal offense.  
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THIS PROSPECTUS MAY NOT BE USED TO SELL SECURITIES UNLESS ACCOMPANIED BY A PROSPECTUS SUPPLEMENT.

The date of this prospectus is \_\_\_\_\_, 1999.

The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and we are not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

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FORWARD-LOOKING STATEMENTS

This prospectus includes or incorporates by reference forward-looking statements, including those identified by the words "believes," "anticipates," "expects" and similar expressions. We have based these forward-looking statements on our current expectations and projections about future events. These forward-looking statements are subject to risks, uncertainties, and assumptions about Occidental, including, among other things:

- . global commodity pricing fluctuations;
- . competitive pricing pressures;
- . higher than expected costs including feedstocks;
- . the supply and demand considerations for our products;
- . any general economic recession domestically or internationally; and
- . not successfully completing any expansion, capital expenditure, acquisition or divestiture.

We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. In light of these risks, uncertainties and assumptions, the forward-looking events discussed in this prospectus or in the incorporated documents might not occur.

You should rely only on the information contained or incorporated by reference in this prospectus and any accompanying prospectus supplements. We have not authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should assume that the information contained or incorporated by reference in this prospectus and any accompanying prospectus supplement is only accurate as of the date on the front cover of this prospectus and the prospectus supplement, respectively. Our business, financial condition, results of operations and prospects may have changed since those dates.

#### ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement Occidental filed with the Securities and Exchange Commission using a "shelf" registration process. Under this shelf registration process, Occidental may sell any combination of the securities described in this prospectus in one or more offerings up to a total dollar amount of \$1,400,000,000. This prospectus provides you with a general description of the securities Occidental may offer. Each time Occidental sells securities, Occidental will provide a prospectus supplement that will contain specific information about the terms of that offering. The prospectus supplement may also add, update or change information contained in this prospectus. You should read both this prospectus and any prospectus supplement together with additional information described under the heading "Where You Can Find More Information."

WHERE YOU CAN FIND MORE  
INFORMATION

Occidental files reports, proxy statements, and other information with the Securities and Exchange Commission ("SEC"). Such reports, proxy statements, and other information concerning Occidental can be read and copied at the SEC's Public Reference Room at 450 Fifth Street, N.W., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the Public Reference Room. The SEC maintains an internet site at <http://www.sec.gov> that contains reports, proxy and information statements and other information regarding issuers that file electronically with the SEC, including Occidental. Occidental's common stock is listed and traded on the New York Stock Exchange ("NYSE"). These reports, proxy statements and other information are also available for inspection at the offices of the NYSE, 20 Broad Street, New York, New York 10005.

This prospectus is part of a registration statement filed with the SEC by Occidental and the trusts. The full registration statement can be obtained from the SEC as indicated above or from Occidental.

The SEC allows Occidental to "incorporate by reference" the information it files with the SEC. This permits Occidental to disclose important information to you by referencing these filed documents. Any information referenced this way is considered part of this prospectus, and any information filed with the SEC subsequent to this prospectus will automatically be deemed to update and supersede this information. Occidental incorporates by reference the following documents which have been filed with the SEC:

- . Annual Report on Form 10-K for the year ended December 31, 1997;
- . Quarterly Reports on Form 10-Q for the quarters ended March 31, 1998, June 30, 1998 and September 30, 1998; and
- . Current Reports on Form 8-K, dated January 26, 1998, January 30, 1998, January 31, 1998, February 10, 1998, February 11, 1998, February 12, 1998, April 1, 1998, April 20, 1998, May 15, 1998 (2 reports), July 20, 1998, September 25, 1998, October 21, 1998, November 16, 1998 and January 6, 1999.

Occidental also incorporates by reference any future filings made with the SEC pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act of 1934 (the "Exchange Act") until Occidental or the trusts sell all of the debt securities and preferred securities.

Occidental will provide without charge upon written or oral request, a copy of any or all of the documents which are incorporated by reference to this prospectus. Requests should be directed to Occidental Petroleum Corporation, 10889 Wilshire Boulevard, Los Angeles, California 90024, Attn: J. R. Havert, Vice President and Treasurer; telephone: (310) 208-8800.

There are no separate financial statements of the trusts in this prospectus. Occidental does not believe such financial statements would be helpful because:

- . The trusts are direct or indirect wholly-owned subsidiaries of Occidental, which files consolidated financial information under the Exchange Act.
- . The trusts do not have any independent operations other than issuing the preferred and common securities and purchasing the subordinated debt securities.
- . Occidental guarantees the preferred securities of the trusts as described in this prospectus.

## OCCIDENTAL

Occidental explores for, develops, produces and markets crude oil and natural gas and manufactures and markets a variety of chlorovinyls (including basic chemicals and polymers and plastics), specialty chemicals and petrochemicals. Occidental conducts its principal operations through two subsidiaries, Occidental Oil and Gas Corporation and Occidental Chemical Corporation, and its 29.5% interest in the Equistar Chemicals, LP petrochemicals partnership. Occidental's executive offices are located at 10889 Wilshire Boulevard, Los Angeles, California 90024; telephone (310) 208-8800.

## THE TRUSTS

Occidental created three Delaware business trusts pursuant to three Declarations of Trust. The trusts are named Oxy Capital Trust I, Oxy Capital Trust II and Oxy Capital Trust III. Occidental will file an Amended and Restated Declaration of Trust (a "Declaration") for each trust, which will state the terms and conditions for each trust to issue and sell its preferred securities and common securities. A form of Declaration is filed as an exhibit to the registration statement of which this prospectus forms a part.

Each trust will exist solely to:

- . issue and sell its preferred and common securities;
- . use the proceeds from the sale of its preferred and common securities to purchase a series of Occidental's subordinated debt securities;
- . maintain its status as a grantor trust for United States federal income tax purposes; and
- . engage in other activities that are necessary or incidental to these purposes.

Occidental will purchase all of the common securities of each trust. The common securities will represent an aggregate liquidation amount equal to at least 3% of each trust's total capitalization. The preferred securities will represent the remaining 97% of such trust's total capitalization. The common securities will have terms substantially identical to, and will rank equal in priority of payment with, the preferred securities. However, if Occidental defaults on the related subordinated debt securities, then cash distributions and liquidation, redemption and other amounts payable on the common securities will be subordinate to the preferred securities in priority of payment.

The preferred securities will be guaranteed by Occidental as described later in this prospectus.

Occidental has appointed five trustees to conduct each trust's business and affairs:

- . The Bank of New York ("Property Trustee");
- . The Bank of New York (Delaware) ("Delaware Trustee"); and
- . Three Occidental officers ("Regular Trustees").

Only Occidental, as owner of the common securities, can remove or replace the trustees. In addition, Occidental can increase or decrease the number of trustees. However, the majority of trustees will always be Regular Trustees.

Occidental will pay all fees and expenses related to each trust and each offering of the related preferred securities and will pay all ongoing costs and expenses of each trust, except such trust's obligations under the related preferred and common securities.

The trusts will not have separate financial statements. The statements would not be material to holders of the preferred securities because no trust will have any independent operations. Each trust exists solely for the reasons summarized above.

USE OF PROCEEDS

The net proceeds Occidental receives from the sale of securities offered under this prospectus will be used for general corporate purposes, including the retirement of outstanding debt. Each trust will use all proceeds from the sale of the common and preferred securities to purchase subordinated debt securities of Occidental. The prospectus supplement with respect to any offering of securities may identify different or additional uses for the proceeds of such offering.

RATIOS OF EARNINGS TO FIXED CHARGES AND EARNINGS TO COMBINED FIXED CHARGES AND PREFERRED STOCK DIVIDENDS

The following table sets forth Occidental's total enterprise ratios of earnings to fixed charges and earnings to combined fixed charges and preferred stock dividends based on the historical results of Occidental and its subsidiaries. For the purpose of calculating these ratios, earnings consist of income from continuing operations before income taxes (other than foreign oil and gas taxes) and fixed charges. Fixed charges include interest and debt expense, including the proportionate share of interest and debt expense of 50-percent-owned equity investments and the portion of lease rentals representative of the interest factor.

	YEARS ENDED DECEMBER 31,					NINE MONTHS ENDED SEPT. 30,	
	1997	1996	1995	1994	1993	1998	1997
Ratio of Earnings to Fixed Charges.....	1.55	2.08	1.75	(a)	(a)	2.28	2.45
Ratio of Earnings to Combined Fixed Charges and Preferred Stock Dividends.....	1.28	1.53	1.45	(b)	(b)	2.19	1.96

(a) Earnings were inadequate to cover fixed charges by \$298 million in 1994 and \$224 million in 1993.

(b) Earnings were inadequate to cover fixed charges and preferred stock dividends by \$395 million in 1994 and \$272 million in 1993.

DESCRIPTION OF SECURITIES

This prospectus contains a summary of the senior debt securities, the subordinated debt securities, the preferred securities, and the preferred securities guarantee. These summaries are not meant to be a complete description of each security. However, this prospectus and the accompanying prospectus supplement contain the material terms and conditions for each security. For more information please refer to (1) the indenture (the "Senior Indenture") among Occidental and The Bank of New York, as trustee ("Senior Indenture Trustee"), relating to issuance of each series of senior debt securities, (2) the indenture (the "Subordinated Indenture") among Occidental and The Bank of New York, as trustee (the "Subordinated Indenture Trustee") relating to issuance of each series of subordinated debt securities, (3) the Declaration of each trust, and (4) Occidental's guarantee of the preferred securities issued by each trust (the "Preferred Securities Guarantees"). Forms of these documents are filed as exhibits to the registration statement, which includes this prospectus. Capitalized terms used in this prospectus that are not defined will have the meanings given them in these documents.

DESCRIPTION OF SENIOR DEBT SECURITIES

GENERAL

Below is a description of certain general terms of the senior debt securities. The description does not purport to be complete and is subject to and qualified in its entirety by reference to the Senior Indenture. The particular terms of a series of senior debt securities will be described in a prospectus supplement.

The senior debt securities will rank equally with all of Occidental's senior and unsubordinated debt. The Senior Indenture does not limit the amount of senior debt securities



which Occidental may issue, nor does it limit Occidental or its subsidiaries from issuing any other unsecured debt.

Occidental will issue the senior debt securities under the Senior Indenture. The Senior Indenture will be qualified under the Trust Indenture Act of 1939, as amended (the "Trust Indenture Act"). The Senior Indenture is filed as an exhibit to the registration statement which includes this prospectus.

Each prospectus supplement will describe the following terms relating to a series of senior debt securities, as follows:

- . the title;
- . any limit on the amount that may be issued;
- . whether or not such series of senior debt securities will be issued as registered securities, bearer securities or both;
- . the price at which such series of senior debt securities will be issued, which may be at a discount;
- . whether or not such series of senior debt securities will be issued in global form, the terms and who the depository will be;
- . the maturity date(s);
- . the person to whom any interest will be payable on any registered security, if other than the person in whose name such security is registered at the close of business on the regular record date;
- . the annual interest rate(s), if any, (which may be fixed or variable) or the method for determining the rate(s) and the date(s) interest will begin to accrue, the date(s) interest will be payable and the regular record date(s) for interest payment date(s) or the method for determining such date(s);
- . the place(s) where payments shall be payable, registered securities may be surrendered for registration of transfer, securities may be surrendered for exchange, and notices and demands to or upon Occidental may be served;
- . the period(s) within which, and the price(s) at which, such series of senior debt securities may, pursuant to any optional or mandatory redemption provisions, be redeemed, in whole or in part, and other related terms and provisions;
- . any mandatory or optional sinking fund provisions or any provisions for remarketing the securities and other related terms and provisions;
- . the denominations in which such series of senior debt securities will be issued, if other than denominations of \$1,000 in the case of registered securities and any integral multiple thereof, and in the case of bearer securities, if other than denominations of \$5,000 and \$100,000;
- . the currency or currencies, including composite currencies or currency units, in which such series of senior debt securities may be denominated or in which payment of the principal of and interest, if any, on such series of senior debt securities shall be payable, if other than the currency of the United States of America, and, if so, whether such series of senior debt securities may be satisfied and discharged other than as provided in Article Four of the Senior Indenture;
- . if the amounts of payments of principal of and interest, if any, on such series of senior debt securities are to be determined with reference to an index, formula or other method, or based on a coin or currency other than that in which such series of senior debt securities are stated to be payable, the manner in which such amounts shall be determined and the

calculation agent, if any, with respect thereto;

- . if other than the principal amount thereof, the portion of the principal amount of such series of senior debt securities that will be payable upon declaration of acceleration of the maturity thereof pursuant to an event of default;
- . if other than as defined in the Senior Indenture, the meaning of "Business Day" when used with respect to such series of senior debt securities;
- . if such series of senior debt securities may be issued or delivered (whether upon original issuance or upon exchange of a temporary security of such series or otherwise), or any installment of principal or interest is payable, only upon receipt of certain certificates or other documents or satisfaction of other conditions in addition to those specified in the Senior Indenture, the forms and terms of such certificates, documents or conditions;
- . any addition to, or modification or deletion of, any event of default, covenant of Occidental or other term or provision specified in the Senior Indenture with respect to such series of senior debt securities; and
- . any other terms (which terms may be inconsistent with the Senior Indenture).

#### CONSOLIDATION, MERGER OR SALE

The Senior Indenture generally permits Occidental to merge or consolidate, or sell, convey, transfer or otherwise dispose of its assets as an entirety or substantially as an entirety, provided that no event of default would occur as a result of such transaction. However, any successor or acquiror of such assets must assume all of the obligations of Occidental under the Senior Indenture and the senior debt securities and be organized and existing under U.S. laws.

#### LIMITATION ON LIENS

Occidental will not, nor will it permit any Consolidated Subsidiary (as defined below) to, incur, create, assume, guarantee or otherwise become liable with respect to any Secured Debt (as defined below), unless the Securities are secured equally and ratably with (or prior to) such Secured Debt. This covenant will not apply to: (1) Liens (as defined below) existing on the date of the Senior Indenture; (2) Liens existing on property of, or on any shares of stock or Indebtedness of, any corporation at the time such corporation becomes a Consolidated Subsidiary; (3) Liens in favor of Occidental or a Consolidated Subsidiary; (4) Liens in favor of governmental bodies to secure progress, advance or other payments; (5) Liens existing on property, shares of stock or Indebtedness at the time of acquisition thereof (including acquisition through merger or consolidation) or Liens to secure the payment of all or any part of the purchase price thereof or the cost of construction, installation, renovation, improvement or development thereon or thereof or to secure any Indebtedness incurred prior to, at the time of, or within 360 days after the later of the acquisition, completion of such construction, installation, renovation, improvement or development or the commencement of full operation of such property or within 360 days after the acquisition of such shares or Indebtedness for the purpose of financing all or any part of the purchase price or cost thereof; and (6) any extension, renewal or refunding of any Liens referred to in the foregoing clauses (1) through (5). Notwithstanding the foregoing, Occidental and one or more Consolidated Subsidiaries may incur, create, assume, guarantee or otherwise become liable with respect to Secured Debt that would otherwise be subject to the foregoing

restrictions if, after giving effect thereto, the aggregate amount of all Secured Debt, together with the Discounted Rental Value (as defined below) in respect of sale and leaseback transactions subject to the restrictions discussed in the following paragraph (excluding sale and leaseback transactions exempted from such restrictions pursuant to clause (1) or (2) of the last sentence of such paragraph), would not exceed 10% of consolidated Net Tangible Assets (as defined below) of Occidental and its Consolidated Subsidiaries.

#### LIMITATIONS ON SALE AND LEASEBACK TRANSACTIONS

Occidental will not nor will it permit any Consolidated Subsidiary to sell and lease back any Principal Domestic Property (as defined below) unless: (1) the sale has occurred within 360 days after the later of the acquisition, completion of construction or commencement of full operations of the Principal Domestic Property; (2) Occidental or such Consolidated Subsidiary could subject such Principal Domestic Property to a Lien pursuant to the provisions described above under "Limitation on Liens" in an amount equal to the Discounted Rental Value with respect to the sale and leaseback transaction without equally and ratably securing the Securities; or (3) Occidental or such Consolidated Subsidiary, within 120 days after such sale, applies or causes to be applied to the retirement of its Funded Debt (as defined below) an amount (subject to credits for certain voluntary retirements of Funded Debt) not less than the greater of (a) the net proceeds of the sale of the Principal Domestic Property leased pursuant to such arrangement or (b) the fair value (as determined in any manner approved by the Board of Directors of Occidental) of the Principal Domestic Property so leased. This restriction will not apply to any sale and leaseback transaction (1) between Occidental and a Consolidated Subsidiary or between Consolidated Subsidiaries or (2) involving the taking back of a lease for a period, including renewals, of not more than three years.

#### CERTAIN DEFINITIONS

"Consolidated Subsidiary" means any Subsidiary included in the financial statements of Occidental and its Subsidiaries prepared on a consolidated basis in accordance with generally accepted accounting principles.

"Discounted Rental Value" means, as to any particular lease under which any Person is at the time liable and at any date as of which the amount thereof is to be determined, the total net amount of rent (after deducting the amount of rent to be received by such Person under noncancelable subleases) required to be paid by such Person under such lease during the remaining noncancelable term thereof (including any such period for which such lease has been extended or may, at the option of the lessor, be extended), discounted from the respective due dates thereof to such date at a rate per annum of 11 3/4%. The net amount of rent required to be paid under any such lease for any such period shall be the aggregate amount of the rent payable by the lessee with respect to such period, after excluding amounts required to be paid on account of maintenance and repairs, insurance, taxes, water rates and similar charges. In the case of any lease which is terminable by the lessee upon the payment of a penalty, such net amount shall also include the amount of such penalty, but no rent shall be considered as required to be paid under such lease subsequent to the first date upon which it may be so terminated. If and to the extent the amount of any rent during any future period is not definitely determinable under the lease in question, the amount of such rent shall be estimated in such reasonable manner as the Board of Directors of Occidental may in good faith determine.

"Funded Debt" means all Indebtedness maturing one year or more from the date of the creation thereof, all Indebtedness directly or indirectly renewable or extendible, at the option of the debtor, by its terms or by the terms of any instrument or agreement relating thereto, to a date one year or more from the date of the creation thereof, and all Indebtedness under a revolving credit or similar agreement obligating the lender or lenders to extend credit over a period of one year or more, even though such Indebtedness may also conform to the definition of Short-Term Borrowing.

"Lien" means and includes any mortgage, pledge, lien, security interest, conditional sale or other title retention agreement or other similar encumbrance to secure Indebtedness for borrowed money but excluding any security interest which a lessor may be deemed to have under a lease and any lien which may be deemed to exist under a Production Payment or under any subordination arrangement.

"Net Tangible Assets" of any specified Person means the total of all assets properly appearing on a balance sheet of such Person prepared in accordance with generally accepted accounting principles, after deducting from such total, without duplication of deductions, (1) all Current Liabilities of such Person; (2) that portion of the book amount of all such assets which would be treated as intangibles under generally accepted accounting principles, including, without limitation, all such items as goodwill, trademarks, trade names, brands, copyrights, patents, licenses and rights with respect to the foregoing and unamortized debt discount and expense; and (3) the amount, if any, at which any stock of such Person appears on the asset side of such balance sheet.

"Principal Domestic Property" means any (1) developed oil or gas producing property or (2) processing or manufacturing plant, in each case which as of the date of the Indenture is or thereafter is owned or leased by Occidental or any Consolidated Subsidiary and which is located in the continental United States (provided, however, that any such property or plant declared by the Board of Directors by Board Resolution not to be of material importance to the business of Occidental and its Consolidated Subsidiaries taken as a whole will be excluded from the foregoing definition).

"Production Payment" means any economic interest in oil, gas or mineral reserves which (1) entitles the holder thereof to a specified share of future production from such reserves, free of the costs and expenses of such production, and (2) terminates when a specified quantity of such share of future production from such reserves has been delivered or a specified sum has been realized from the sale of such share of future production from such reserves.

"Secured Debt" means any Indebtedness of Occidental or any Consolidated Subsidiary, secured by a Lien on any Principal Domestic Property or on any shares of stock or on any Indebtedness of any Consolidated Subsidiary which owns any Principal Domestic Property.

#### EVENTS OF DEFAULT UNDER THE SENIOR INDENTURE

The following are events of default under the Senior Indenture with respect to any series of senior debt securities issued:

- . failure to pay interest when due and such failure continues for 30 days and the time for payment has not been extended or deferred;
- . failure to pay the principal (or premium, if any) when due;
- . failure to observe or perform any other covenant contained in the senior debt

securities or the Senior Indenture (other than a covenant specifically benefitting only another series of senior debt securities), and such failure continues for 60 days after Occidental receives notice from the Senior Indenture Trustee or holders of at least 25% in aggregate principal amount of the outstanding senior debt securities of that series;

- . acceleration of more than \$50,000,000 of debt of Occidental, and such debt is not discharged or such acceleration is not cancelled within 20 days after Occidental receives notice from the Senior Indenture Trustee or holders of at least 25% in aggregate principal amount of the outstanding senior debt securities of that series;
- . certain events of bankruptcy, insolvency or reorganization of Occidental; and
- . any other event of default specified in the prospectus supplement relating to such series of senior debt securities.

If an event of default with respect to senior debt securities of any series occurs and is continuing, the Senior Indenture Trustee or the holders of at least 25% in principal amount of the outstanding senior debt securities of that series, by notice in writing to Occidental (and to the Senior Indenture Trustee if notice is given by such holders), may declare the principal of (or if such senior debt securities are discount securities, the portion of the principal amount as specified in the applicable prospectus supplement), premium, if any, and accrued interest, if any, due and payable immediately.

The holders of a majority in aggregate principal amount of the outstanding senior debt securities of an affected series may waive any past default or event of default with respect to such series and its consequences, except defaults or events of default regarding:

- . payment of principal or interest; or
- . covenants that cannot be modified or amended without the consent of each holder of any outstanding senior debt securities affected (as described under "--Modification of Senior Indenture; Waiver" below).

Any such waiver shall cure such default or event of default.

Subject to the terms of the Senior Indenture, if an event of default under the Senior Indenture shall occur and be continuing, the Senior Indenture Trustee will be under no obligation to exercise any of its rights or powers under the Senior Indenture at the request or direction of any of the holders of the applicable series of senior debt securities, unless such holders have offered the Senior Indenture Trustee reasonable security or indemnity. The holders of a majority in principal amount of the outstanding senior debt securities of any series will have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Senior Indenture Trustee, or exercising any trust or power conferred on the Senior Indenture Trustee, with respect to the senior debt securities of that series, provided that:

- . the direction given to the Senior Indenture Trustee is not in conflict with any law or the Senior Indenture;
- . the Senior Indenture Trustee may take any other action deemed proper by it which is not inconsistent with such direction; and
- . the Senior Indenture Trustee has not determined that the action would be unjustly prejudicial to the holders not involved in the proceeding.

A holder of the senior debt securities of any series will have the right to institute a proceeding under the Senior Indenture or to

appoint a receiver or trustee, or to seek other remedies only if:

- . the holder has given written notice to the Senior Indenture Trustee of a continuing event of default with respect to that series;
- . the holders of at least 25% in aggregate principal amount of the outstanding senior debt securities of that series have made written request to, and such holders have offered reasonable indemnity to, the Senior Indenture Trustee to institute such proceedings as trustee; and
- . the Senior Indenture Trustee does not institute such proceeding, and does not receive from the holders of a majority in aggregate principal amount of the outstanding senior debt securities of that series other conflicting directions, within 60 days after such notice, request and offer.

These limitations do not apply to a suit instituted by a holder of senior debt securities if Occidental defaults in the payment of the principal, premium, if any, or interest on, the senior debt securities.

Occidental will periodically file statements with the Senior Indenture Trustee regarding its compliance with the conditions and covenants in the Senior Indenture.

#### MODIFICATION OF SENIOR INDENTURE; WAIVER

Occidental and the Senior Indenture Trustee may change the Senior Indenture without the consent of any holders with respect to certain matters, including:

- . evidencing the succession of another person to Occidental and the assumption by it of the covenants of Occidental in the Senior Indenture and the securities of such series;
- . adding to the covenants, agreements and obligations of Occidental for the benefit of the holders of such series of senior debt securities, or to surrender any right or power the Senior Indenture confers upon Occidental;
- . evidencing and providing for the acceptance of appointment under the Senior Indenture of a successor Senior Indenture Trustee with respect to the securities of one or more series and to add to or change any provisions of the Senior Indenture as shall be necessary to provide for or facilitate the administration of the trusts by more than one Senior Indenture Trustee;
- . curing any ambiguity or correcting any inconsistency in the Senior Indenture; and, provided, that no such action shall adversely affect the interests of the holders of such senior debt securities;
- . adding, changing or eliminating any provisions of the Senior Indenture (which addition, change or elimination may apply to one or more series of senior debt securities), provided that any such addition, change or elimination neither (a) applies to any security of any series created prior to the execution of such supplemental indenture that is entitled to the benefit of such provision nor (b) modifies the rights of holders of any such security with respect to such provisions;
- . securing the securities; or
- . changing anything else that does not adversely affect the interests of any holder of senior debt securities.

In addition, under the Senior Indenture, the rights of holders of a series of senior debt securities may be changed by Occidental and the Senior Indenture Trustee with the written consent of the holders of at least a majority in aggregate principal amount of the outstanding senior debt securities of each series that is

affected. However, the following changes, among other things, may be made only with the consent of each holder of any outstanding senior debt securities affected:

- . changing the stated maturity of such senior debt securities;
- . reducing the principal amount of a discount security payable upon declaration of acceleration;
- . reducing the principal amount, reducing the rate of or extending the time of payment of interest, or reducing any premium payable upon the redemption of any such senior debt securities;
- . changing the place or currency of payment of principal or interest, if any, on any such senior debt securities;
- . impairing the right to institute suit for the enforcement of any payment on or with respect to any such senior debt securities; and
- . modifying any of the foregoing requirements or reducing the percentage of senior debt securities, the holders of which are required to consent to any amendment or waiver of any covenant or past default.

#### FORM, EXCHANGE, AND TRANSFER

The senior debt securities of each series may be issued as registered securities, as bearer securities (with or without coupons) or both. Unless otherwise specified in the applicable prospectus supplement, registered securities will be issued in denominations of \$1,000 and any integral multiple thereof and bearer securities will be issued in denominations of \$5,000 and \$100,000. Subject to the terms of the Senior Indenture and the limitations applicable to global securities described in the applicable prospectus supplement, registered securities will be exchangeable for other registered securities of the same series, in any authorized denomination and of like tenor and aggregate principal amount.

Subject to the terms of the Senior Indenture and the limitations applicable to global securities set forth in the applicable prospectus supplement, senior debt securities issued as registered securities may be presented for exchange or for registration of transfer (duly endorsed or with the form of transfer duly executed) at the office of the Security Registrar or at the office of any transfer agent designated by Occidental for such purpose. Bearer securities will not be issued in exchange for registered securities. Unless otherwise provided in the senior debt securities to be transferred or exchanged, no service charge will be made for any registration of transfer or exchange, but Occidental may require payment of any taxes or other governmental charges. Occidental has appointed the Senior Indenture Trustee as Security Registrar. Any transfer agent (in addition to the Security Registrar) initially designated by Occidental for any senior debt securities will be named in the applicable prospectus supplement. Occidental may at any time designate additional transfer agents or rescind the designation of any transfer agent or approve a change in the office through which any transfer agent acts, except that Occidental will be required to maintain a transfer agent in each place of payment for the senior debt securities of each series.

If the senior debt securities of any series are to be redeemed, Occidental will not be required to:

- . issue, register the transfer of, or exchange any senior debt securities of, that series during a period beginning at the opening of business 15 days before any selection of any such senior debt securities to be redeemed and ending, in the case of registered securities, at the close of business on the day of mailing of the

relevant notice of redemption and, in the case of bearer securities, the first publication date of such notice, or if the senior debt securities of such series are also issuable as registered securities and there is no publication, at the close of business on the day of mailing of such notice;

- . in the case of registered securities, register the transfer of or exchange any senior debt securities so selected for redemption, in whole or in part, except the unredeemed portion of any such registered security being redeemed in part; or
- . in the case of bearer securities, exchange any senior debt securities so selected for redemption, except to exchange such bearer security for a registered security that is immediately surrendered for redemption.

#### GLOBAL SECURITIES

The senior debt securities of each series may be issued in whole or in part in global form. A senior debt security in global form will be deposited with, or on behalf of, a depository, which will be named in an applicable prospectus supplement. A global security may be issued in either registered or bearer form and in either temporary or definitive form. A global senior debt security may not be transferred, except as a whole, among the depository for such senior debt security and/or its nominees and/or successors. If any senior debt securities of a series are issuable as global securities, the applicable prospectus supplement will describe any circumstances when beneficial owners of interest in any such global security may exchange such interests for definitive senior debt securities of such series and of like tenor and principal amount in any authorized form and denomination, the manner of payment of principal of and interest, if any, on any such global senior debt security and the specific terms of the depository arrangement with respect to any such global senior debt security.

#### DISCHARGE

Unless otherwise indicated in an applicable prospectus supplement, Occidental may terminate at any time its obligations under the Senior Indenture with respect to any series of senior debt securities by (1)(a) delivering all of the outstanding securities of that series to the Senior Indenture Trustee to be cancelled or (b) depositing with the Senior Indenture Trustee funds or non-callable United States government obligations sufficient to pay all remaining principal and interest on the series of senior debt securities and (2) complying with certain other provisions of the Senior Indenture.

If Occidental elects to satisfy its obligations by depositing United States obligations as described above ("discharge"), such election under present law is likely to be treated as a redemption of the senior debt securities of that series prior to maturity in exchange for the property deposited in trust. If so, each holder would generally recognize, at the time of discharge, gain or loss for United States federal income tax purposes measured by the difference between (1) the sum of (a) the amount of any cash and (b) the fair market value of any property deposited in trust deemed received by the holder (unless attributable to accrued interest) and (2) the holder's tax basis in the senior debt securities deemed surrendered. After the discharge, each holder would be treated as if it held an undivided interest in the cash (or investments made therewith) and the property held in trust. Each holder would generally be subject to tax liability in respect of interest income and original issue discount, if applicable, thereon and would recognize any gain or loss upon any disposition, including redemption, of the assets held in trust. Although tax might be owed, the holder of a discharged



senior debt security would not receive cash (except for current payments of interest on such senior debt security) until the maturity or earlier redemption of such senior debt security. Such tax treatment could affect the purchase price that a holder would receive upon the sale of the senior debt securities.

#### INFORMATION CONCERNING THE SENIOR INDENTURE TRUSTEE

The Senior Indenture Trustee, other than during the occurrence and continuance of an event of default under the Senior Indenture, undertakes to perform only such duties as are specifically set forth in the Senior Indenture and, upon an event of default under the Senior Indenture, must use the same degree of care as a prudent person would exercise or use in the conduct of his or her own affairs. Subject to this provision, the Senior Indenture Trustee is under no obligation to exercise any of the powers given it by the Senior Indenture at the request of any holder of senior debt securities unless it is offered reasonable security and indemnity against the costs, expenses and liabilities that it might incur. The Senior Indenture Trustee is not required to spend or risk its own money or otherwise become financially liable while performing its duties unless it reasonably believes that it will be repaid or receive adequate indemnity.

The Bank of New York is a participating lender under one of Occidental's revolving credit agreements and provides commercial banking services to Occidental and its affiliates. The Bank of New York is the Senior Indenture Trustee and will also act as the Subordinated Indenture Trustee, the Property Trustee and the Preferred Securities Guarantee Trustee. In addition, an affiliate of The Bank of New York will act as the Delaware Trustee under each trust. However, if The Bank of New York acquires any conflicting interest when an event of default is pending, it must (with certain exceptions) eliminate such conflict or resign.

#### PAYMENT AND PAYMENT AGENTS

Unless otherwise indicated in the applicable prospectus supplement, payment of the interest on any senior debt securities (other than bearer securities) on any interest payment date will be made to the person in whose name such debt securities (or one or more predecessor securities) are registered at the close of business on the regular record date for such interest.

Principal of and any premium and interest on the senior debt securities (other than bearer securities) of a particular series will be payable at the office of the paying agents designated by Occidental, except that, unless otherwise indicated in the applicable prospectus supplement, interest payments may be made by wire transfer or by check mailed to the holder. Unless otherwise indicated in such prospectus supplement, the corporate trust office of the Senior Indenture Trustee in The City of New York will be designated as sole paying agent for payments with respect to senior debt securities of each series. Any other paying agents initially designated by Occidental for the senior debt securities of a particular series will be named in the applicable prospectus supplement. Occidental will be required to maintain a paying agent in each place of payment for the senior debt securities of a particular series.

Unless otherwise indicated in an applicable prospectus supplement, interest shall be computed on the basis of a 360-day year comprised of twelve 30-day months.

Unless otherwise indicated in an applicable prospectus supplement, payment of principal of and interest, if any, on bearer securities will be made, subject to any applicable laws and regulations, at the offices of a paying agent

outside the United States as Occidental may designate, or by check mailed to any address or by transfer to an account maintained by the payee outside the United States. Unless otherwise indicated in an applicable prospectus supplement, any payment of an installment of interest on any bearer security will be made only if the coupon relating to the interest installment is surrendered.

All moneys paid by Occidental to a paying agent or the Senior Indenture Trustee for the payment of the principal of or any premium or interest on any senior debt security which remain unclaimed at the end of two years after such principal, premium or interest has become due and payable will be repaid to Occidental, and the holder of the security thereafter may look only to Occidental for payment thereof.

#### GOVERNING LAW

The Senior Indenture and senior debt securities will be governed by and construed in accordance with the laws of the State of New York, except to the extent that the Trust Indenture Act shall be applicable.

#### DESCRIPTION OF SUBORDINATED DEBT SECURITIES

##### GENERAL

Occidental may sell one or more series of subordinated debt securities pursuant to this prospectus, including one series to each trust.

Below is a description of certain general terms of the subordinated debt securities. The description does not purport to be complete and is subject to and qualified in its entirety by reference to the Subordinated Indenture. The particular terms of a series of subordinated debt securities will be described in a prospectus supplement.

Each series of subordinated debt securities will be unsecured and will be subordinate and junior in priority of payment to certain of Occidental's other indebtedness to the extent described in a prospectus supplement. The Subordinated Indenture does not limit the amount of subordinated debt securities which Occidental may issue, nor does it limit Occidental or its subsidiaries from issuing any other secured or unsecured debt.

Occidental will issue the subordinated debt securities under the Subordinated Indenture. The Subordinated Indenture will be qualified under the Trust Indenture Act. The form of Subordinated Indenture is filed as an exhibit to the registration statement which includes this prospectus.

Each prospectus supplement will describe the following terms relating to a series of subordinated debt securities, as follows:

- . the title;
- . any limit on the amount that may be issued;
- . whether or not such series of subordinated debt securities will be issued as registered securities, bearer securities or both;
- . the price at which such series of subordinated debt securities will be issued, which may be at a discount;
- . whether or not such series of subordinated debt securities will be issued in global form, the terms and who the depositary will be;
- . the maturity date(s);
- . the person to whom any interest will be payable on any registered security, if other than the person in whose name such security is registered at the close of business on the regular record date;

- . the annual interest rate(s), if any, (which may be fixed or variable) or the method for determining the rate(s) and the date(s) interest will begin to accrue, the date(s) interest will be payable and the regular record date(s) for interest payment date(s) or the method for determining such date(s);
- . the place(s) where payments shall be payable, registered securities may be surrendered for registration of transfer, securities may be surrendered for exchange, and notices and demands to or upon Occidental may be served;
- . the period(s) within which, and the price(s) at which, such series of subordinated debt securities may, pursuant to any optional or mandatory redemption provisions, be redeemed, in whole or in part, and other related terms and provisions;
- . any mandatory or optional sinking fund provisions or any provisions for remarketing the securities and other related terms and provisions;
- . the denominations in which such series of subordinated debt securities will be issued, if other than denominations of \$1,000 in the case of registered securities and any integral multiple thereof, and in the case of bearer securities, if other than denominations of \$5,000 and \$100,000;
- . the currency or currencies, including composite currencies or currency units, in which such series of subordinated debt securities may be denominated or in which payment of the principal of and interest, if any, on such series of subordinated debt securities shall be payable, if other than the currency of the United States of America, and, if so, whether such series of subordinated debt securities may be satisfied and discharged other than as provided in Article Four of the Subordinated Indenture;
- . if the amounts of payments of principal of and interest, if any, on such series of subordinated debt securities are to be determined with reference to an index, formula or other method, or based on a coin or currency other than that in which such series of subordinated debt securities are stated to be payable, the manner in which such amounts shall be determined and the calculation agent, if any, with respect thereto;
- . if other than the principal amount thereof, the portion of the principal amount of such series of subordinated debt securities that will be payable upon declaration of acceleration of the maturity thereof pursuant to an event of default;
- . if other than as defined in the Subordinated Indenture, the meaning of "Business Day" when used with respect to such series of subordinated debt securities;
- . if such series of subordinated debt securities may be issued or delivered (whether upon original issuance or upon exchange of a temporary security of such series or otherwise), or any installment of principal or interest is payable, only upon receipt of certain certificates or other documents or satisfaction of other conditions in addition to those specified in the Subordinated Indenture, the forms and terms of such certificates, documents or conditions;
- . the right, if any, to extend the interest payment periods and the duration of the extensions;
- . the terms, if any, pursuant to which any series of subordinated debt securities will be subordinate to any of Occidental's debt;
- . any addition to, or modification or deletion of, any event of default, covenant of Occidental or other term or provision

specified in the Subordinated Indenture with respect to such series of subordinated debt securities; and

- . any other terms (which terms may be inconsistent with the Subordinated Indenture).

#### CONSOLIDATION, MERGER OR SALE

The Subordinated Indenture generally permits Occidental to merge or consolidate, or sell, convey, transfer or otherwise dispose of its assets as an entirety or substantially as an entirety, provided that no event of default would occur as a result of such transaction. However, any successor or acquiror of such assets must assume all of the obligations of Occidental under the Subordinated Indenture and the subordinated debt securities and be organized and existing under U.S. laws.

#### EVENTS OF DEFAULT UNDER THE SUBORDINATED INDENTURE

The following are events of default under the Subordinated Indenture with respect to any series of subordinated debt securities issued:

- . failure to pay interest when due and such failure continues for 30 days and the time for payment has not been extended or deferred;
- . failure to pay the principal (or premium, if any) when due;
- . failure to observe or perform any other covenant contained in the subordinated debt securities or the Subordinated Indenture (other than a covenant specifically benefitting only another series of subordinated debt securities), and such failure continues for 90 days after Occidental receives notice from the Subordinated Indenture Trustee or holders of at least 25% in aggregate principal amount of the outstanding subordinated debt securities of that series;
- . certain events of bankruptcy, insolvency or reorganization of Occidental;
- . if such series of subordinated debt securities are held by a trust, the voluntary or involuntary dissolution, winding up or termination of the trust that owns the series of subordinated debt securities, except in connection with:
  - (1) the distribution of such subordinated debt securities to holders of preferred and common securities of such trust;
  - (2) the redemption of all of the preferred and common securities of such trust; or
  - (3) mergers, consolidations or amalgamations permitted by the Declaration of such trust; and
- . any other event of default specified in the prospectus supplement relating to such series of subordinated debt securities.

If an event of default with respect to subordinated debt securities of any series occurs and is continuing, the Subordinated Indenture Trustee or the holders of at least 25% in aggregate principal amount of the outstanding subordinated debt securities of that series, by notice in writing to Occidental (and to the Subordinated Indenture Trustee if notice is given by such holders), may declare the principal of (or if such subordinated debt securities are discount securities, the portion of the principal amount as specified in the applicable prospectus supplement), premium, if any, and accrued interest, if any, due and payable immediately.

The holders of a majority in aggregate principal amount of the outstanding subordinated debt securities of an affected series (or if such subordinated debt securities are held by a trust, the holders of at least a majority in aggregate

liquidation amount of the trust's preferred securities) may waive any past default or event of default with respect to such series and its consequences, except defaults or events of default regarding:

- . payment of principal or interest; or
- . covenants that cannot be modified or amended without the consent of each holder of any outstanding subordinated debt securities affected (as described under "--Modification of Subordinated Indenture; Waiver" below).

Any such waiver shall cure such default or event of default.

If the subordinated debt securities of any series are held by a trust, and a Declaration Event of Default (as defined under "Description of Preferred Securities--Declaration Events of Default" below) has occurred and is attributable to the failure of Occidental to pay principal, premium, if any, or interest on, such subordinated debt securities, then each holder of the preferred securities of such trust may sue Occidental, or seek other remedies to force payment to such holder of the principal of, premium, if any, or interest on, such subordinated debt securities having a principal amount equal to the aggregate liquidation amount of the preferred securities held by such holder.

Subject to the terms of the Subordinated Indenture, if an event of default under the Subordinated Indenture shall occur and be continuing, the Subordinated Indenture Trustee will be under no obligation to exercise any of its rights or powers under the Subordinated Indenture at the request or direction of any of the holders of the applicable series of subordinated debt securities, unless such holders have offered the Subordinated Indenture Trustee reasonable security or indemnity. The holders of a majority in principal amount of the outstanding subordinated debt securities of any series will have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Subordinated Indenture Trustee, or exercising any trust or power conferred on the Subordinated Indenture Trustee, with respect to the subordinated debt securities of that series, provided that:

- . the direction given to the Subordinated Indenture Trustee is not in conflict with any law or the Subordinated Indenture;
- . the Subordinated Indenture Trustee may take any other action deemed proper by it which is not inconsistent with such direction; and
- . the Subordinated Indenture Trustee has not determined that the action would be unjustly prejudicial to the holders not involved in the proceeding.

A holder of the subordinated debt securities of any series will have the right to institute a proceeding under the Subordinated Indenture or to appoint a receiver or trustee, or to seek other remedies only if:

- . the holder has given written notice to the Subordinated Indenture Trustee of a continuing event of default with respect to that series;
- . the holders of at least 25% in aggregate principal amount of the outstanding subordinated debt securities of that series have made written request to, and such holders have offered reasonable indemnity to, the Subordinated Indenture Trustee to institute such proceedings as trustee; and
- . the Subordinated Indenture Trustee does not institute such proceeding, and does not receive from the holders of a majority in aggregate principal amount of the outstanding subordinated debt securities of

that series other conflicting directions, within 60 days after such notice, request and offer.

These limitations do not apply to a suit instituted by a holder of subordinated debt securities if Occidental defaults in the payment of the principal, premium, if any, or interest on, the subordinated debt securities.

Occidental will periodically file statements with the Subordinated Indenture Trustee regarding its compliance with the conditions and covenants in the Subordinated Indenture.

#### MODIFICATION OF SUBORDINATED INDENTURE; WAIVER

Occidental and the Subordinated Indenture Trustee may change the Subordinated Indenture without the consent of any holders with respect to certain matters, including:

- . evidencing the succession of another person to Occidental and the assumption by it of the covenants of Occidental in the Subordinated Indenture and the securities of such series;
- . adding to the covenants, agreements and obligations of Occidental for the benefit of the holders of such series of subordinated debt securities, or to surrender any right or power the Subordinated Indenture confers upon Occidental;
- . evidencing and providing for the acceptance of appointment under the Subordinated Indenture of a successor Subordinated Indenture Trustee with respect to the securities of one or more series and to add to or change any provision of the Subordinated Indenture as shall be necessary to provide for or facilitate the administration of the trusts by more than one Subordinated Indenture Trustee;
- . curing any ambiguity or correcting any inconsistency in the Subordinated Indenture; and, provided, that no such action shall adversely affect the interests of the holders of such subordinated debt securities;
- . adding, changing or eliminating any provisions of the Subordinated Indenture (which addition, change or elimination may apply to one or more series of subordinated debt securities), provided that any such addition, change or elimination neither (a) applies to any security of any series created prior to the execution of such supplemental indenture that is entitled to the benefit of such provision nor (b) modifies the rights of holders of any such security with respect to such provisions;
- . securing the securities; or
- . changing anything else that does not adversely affect the interests of any holder of subordinated debt securities.

In addition, under the Subordinated Indenture, the rights of holders of a series of subordinated debt securities may be changed by Occidental and the Subordinated Indenture Trustee with the written consent of the holders of at least a majority in aggregate principal amount of the outstanding subordinated debt securities of each series that is affected. However, the following changes, among other things, may only be made with the consent of each holder of any outstanding subordinated debt securities affected:

- . changing the stated maturity of such subordinated debt securities;
- . reducing the principal amount of a discount security payable upon declaration of acceleration;
- . reducing the principal amount, reducing the rate of or extending the time of payment of

interest, or reducing any premium payable upon the redemption of any such subordinated debt securities;

- . changing the place or currency of payment of principal or interest, if any, on any such subordinated debt securities;
- . impairing the right to institute suit for the enforcement of any payment on or with respect to any such subordinated debt securities; and
- . modifying any of the foregoing requirements or reducing the percentage of subordinated debt securities, the holders of which are required to consent to any amendment or waiver of any covenant or past default.

If the consent of the Property Trustee of a trust, as the sole holder of subordinated debt securities held by the trust, is required to consent to any amendment, modification or termination of the Subordinated Indenture, the Property Trustee will request directions from the holders of the preferred securities of the applicable trust.

#### FORM, EXCHANGE, AND TRANSFER

The subordinated debt securities of each series may be issued as registered securities, as bearer securities (with or without coupons) or both. Unless otherwise specified in the applicable prospectus supplement, registered securities will be issued in denominations of \$1,000 and any integral multiple thereof and bearer securities will be issued in denominations of \$5,000 and \$100,000. Subject to the terms of the Subordinated Indenture and the limitations applicable to global securities described in the applicable prospectus supplement, registered securities will be exchangeable for other registered securities of the same series, in any authorized denomination and of like tenor and aggregate principal amount.

Subject to the terms of the Subordinated Indenture and the limitations applicable to global securities set forth in the applicable prospectus supplement, subordinated debt securities issued as registered securities may be presented for exchange or for registration of transfer (duly endorsed or with the form of transfer duly executed) at the office of the Security Registrar or at the office of any transfer agent designated by Occidental for such purpose. Bearer securities will not be issued in exchange for registered securities. Unless otherwise provided in the subordinated debt securities to be transferred or exchanged, no service charge will be made for any registration of transfer or exchange, but Occidental may require payment of any taxes or other governmental charges. Occidental has appointed the Subordinated Indenture Trustee as Security Registrar. Any transfer agent (in addition to the Security Registrar) initially designated by Occidental for any subordinated debt securities will be named in the applicable prospectus supplement. Occidental may at any time designate additional transfer agents or rescind the designation of any transfer agent or approve a change in the office through which any transfer agent acts, except that Occidental will be required to maintain a transfer agent in each place of payment for the subordinated debt securities of each series.

If the subordinated debt securities of any series are to be redeemed, Occidental will not be required to:

- . issue, register the transfer of, or exchange any subordinated debt securities of, that series during a period beginning at the

opening of business 15 days before any selection of subordinated debt securities of such series for redemption and ending, in the case of registered securities, at the close of business on the day of mailing of the relevant notice of redemption and, in the case of bearer securities, the first publication date of such notice, or if the

subordinated debt securities of such series are also issuable as registered securities and there is no publication, at the close of business on the day of mailing of such notice;

- . in the case of registered securities, register the transfer of or exchange any subordinated debt securities so selected for redemption, in whole or in part, except the unredeemed portion of any such registered security being redeemed in part; or
- . in the case of bearer securities, exchange any subordinated debt securities so selected for redemption, except to exchange such bearer security for a registered security that is immediately surrendered for redemption.

#### GLOBAL SECURITIES

The subordinated debt securities of each series may be issued in whole or in part in global form. A subordinated debt security in global form will be deposited with, or on behalf of, a depository, which will be named in an applicable prospectus supplement. A global security may be issued in either registered or bearer form and in either temporary or definitive form. A global subordinated debt security may not be transferred, except as a whole among the depository for such subordinated debt securities and/or its nominees and/or successors. If any subordinated debt securities of a series are issuable as global securities, the applicable prospectus supplement will describe any circumstances when beneficial owners of interests in any such global security may exchange such interests for definitive subordinated debt securities of such series and of like tenor and principal amount in any authorized form and denomination, the manner of payment of principal of and interest, if any, on any such global subordinated debt security and the specific terms of the depository arrangement with respect to any such global subordinated debt security.

#### DISCHARGE

Unless otherwise indicated in an applicable prospectus supplement, Occidental may terminate at any time its obligations under the Subordinated Indenture with respect to any series of subordinated debt securities by (1)(a) delivering all of the outstanding securities of that series to the Subordinated Indenture Trustee to be cancelled or (b) depositing with the Subordinated Indenture Trustee funds or non-callable United States government obligations sufficient to pay all remaining principal and interest on the series of subordinated debt securities and (2) complying with certain other provisions of the Subordinated Indenture.

If Occidental elects to satisfy its obligations by depositing United States obligations as described above ("discharge"), such election under present law is likely to be treated as a redemption of the subordinated debt securities of that series prior to maturity in exchange for the property deposited in trust. If so, each holder would generally recognize, at the time of discharge, gain or loss for United States federal income tax purposes measured by the difference between (1) the sum of (a) the amount of any cash and (b) the fair market value of any property deposited in trust deemed received by the holder (unless attributable to accrued interest) and (2) the holder's tax basis in the subordinated debt securities deemed surrendered. After the discharge, each holder would be treated as if it held an undivided interest in the cash (or investments made therewith) and the property held in trust. Each holder would generally be subject to tax liability in respect of interest income and original issue discount, if applicable, thereon and would recognize any gain or loss upon any disposition, including redemption, of the assets held in trust. Although tax might be owed, the holder of a discharged subordinated debt security would



not receive cash (except for current payments of interest on such subordinated debt security) until the maturity or earlier redemption of such subordinated debt security. Such tax treatment could affect the purchase price that a holder would receive upon the sale of the subordinated debt securities.

#### INFORMATION CONCERNING THE SUBORDINATED INDENTURE TRUSTEE

The Subordinated Indenture Trustee, other than during the occurrence and continuance of an event of default under the Subordinated Indenture, undertakes to perform only such duties as are specifically set forth in the Subordinated Indenture and, upon an event of default under the Subordinated Indenture, must use the same degree of care as a prudent person would exercise or use in the conduct of his or her own affairs. Subject to this provision, the Subordinated Indenture Trustee is under no obligation to exercise any of the powers given it by the Subordinated Indenture at the request of any holder of subordinated debt securities unless it is offered reasonable security and indemnity by such holder against the costs, expenses and liabilities that it might incur. The Subordinated Indenture Trustee is not required to spend or risk its own money or otherwise become financially liable while performing its duties unless it reasonably believes that it will be repaid or receive adequate indemnity.

The Bank of New York is a participating lender under one of Occidental's revolving credit agreements and provides commercial banking services to Occidental and its affiliates. The Bank of New York is the Senior Indenture Trustee and will also act as the Subordinated Indenture Trustee, the Property Trustee and the Preferred Securities Guarantee Trustee. In addition, an affiliate of The Bank of New York will act as the Delaware Trustee under each trust. However, if The Bank of New York acquires any conflicting interest when an event of default is pending, it must (with certain exceptions) eliminate such conflict or resign.

#### PAYMENT AND PAYMENT AGENTS

Unless otherwise indicated in the applicable prospectus supplement, payment of the interest on any subordinated debt securities (other than bearer securities) on any interest payment date will be made to the person in whose name such subordinated debt securities (or one or more predecessor securities) are registered at the close of business on the regular record date for such interest.

Principal of and any premium and interest on the subordinated debt securities (other than bearer securities) of a particular series will be payable at the office of the paying agents designated by Occidental, except that, unless otherwise indicated in the applicable prospectus supplement, interest payments may be made by wire transfer or by check mailed to the holder. Unless otherwise indicated in such prospectus supplement, the corporate trust office of the Subordinated Indenture Trustee in The City of New York will be designated as sole paying agent for payments with respect to subordinated debt securities of each series. Any other paying agents initially designated by Occidental for the subordinated debt securities of a particular series will be named in the applicable prospectus supplement. Occidental will be required to maintain a paying agent in each place of payment for the subordinated debt securities of a particular series.

Unless otherwise indicated in the applicable prospectus supplement, interest will be computed on the basis of a 360-day year comprised of twelve 30-day months.

Unless otherwise indicated in an applicable prospectus supplement, payment of principal of and interest, if any, on bearer securities will be

made, subject to any applicable laws and regulations, at the offices of a paying agent outside the United States as Occidental may designate, or by check mailed to any address or by transfer to an account maintained by the payee outside the United States. Unless otherwise indicated in an applicable prospectus supplement, any payment of an installment of interest on any bearer security will be made only if the coupon relating to the interest installment is surrendered.

All moneys paid by Occidental to a paying agent or the Subordinated Indenture Trustee for the payment of the principal of or any premium or interest on any subordinated debt securities which remain unclaimed at the end of two years after such principal, premium or interest has become due and payable will be repaid to Occidental, and the holder of the security thereafter may look only to Occidental for payment thereof.

#### GOVERNING LAW

The Subordinated Indenture and subordinated debt securities will be governed by and construed in accordance with the laws of the State of New York except to the extent that the Trust Indenture Act shall be applicable.

#### DESCRIPTION OF PREFERRED SECURITIES

##### GENERAL

Each Declaration authorizes the Regular Trustees to issue on behalf of each trust one series of preferred securities which will have the terms described in a prospectus supplement. The proceeds from the sale of a trust's preferred and common securities will be used by such trust to purchase a series of subordinated debt securities issued by Occidental. The subordinated debt securities will be held in trust by the Property Trustee for the benefit of the holders of such preferred and common securities.

Under each Preferred Securities Guarantee, Occidental will agree to make payments of distributions and payments on redemption or liquidation with respect to a trust's preferred securities, but only to the extent such trust has funds available to make those payments and has not made such payments. See "Description of the Preferred Securities Guarantees."

The assets of a trust available for distribution to the holders of its preferred securities will be limited to payments from Occidental under the series of subordinated debt securities held by such trust. If Occidental fails to make a payment on such subordinated debt securities, such trust will not have sufficient funds to make related payments, including distributions, on its preferred securities.

Each Preferred Securities Guarantee, when taken together with Occidental's obligations under the related series of subordinated debt securities, the Subordinated Indenture and the related Declaration, will provide a full and unconditional guarantee of amounts due on the preferred securities issued by a trust.

Each Declaration will be qualified as an indenture under the Trust Indenture Act. Each Property Trustee will act as indenture trustee for the preferred securities to be issued by the applicable trust, in order to comply with the provisions of the Trust Indenture Act.

Each series of preferred securities will have the terms, including distributions, redemption, voting, liquidation rights and such other preferred, deferred or other special rights or such restrictions as described in the relevant Declaration or made part of such Declaration by the Trust Indenture Act or the Delaware Business Trust Act. The terms of such preferred

securities will mirror the terms of the subordinated debt securities held by the trust.

The prospectus supplement relating to the preferred securities of a trust will describe the specific terms of such preferred securities, including:

- . the name of such preferred securities;
- . the dollar amount and number of securities issued;
- . any provision relating to deferral of distribution payments;
- . the annual distribution rate(s) (or method of determining such rate(s)), the payment date(s) and the record dates used to determine the holders who are to receive distributions;
- . the date from which distributions shall be cumulative;
- . the optional redemption provisions, if any, including the prices, time periods and other terms and conditions for which such preferred securities shall be purchased or redeemed, in whole or in part;
- . the terms and conditions, if any, upon which the applicable series of subordinated debt securities may be distributed to holders of such preferred securities;
- . the voting rights, if any, of holders of such preferred securities;
- . any securities exchange on which such preferred securities will be listed;
- . whether such preferred securities are to be issued in book-entry form and represented by one or more global certificates and, if so, the depository for such global certificates and the specific terms of the depository arrangements; and
- . any other relevant rights, preferences, privileges, limitations or restrictions of such preferred securities.

Each prospectus supplement will describe certain United States federal income tax considerations applicable to the purchase, holding and disposition of the series of preferred securities covered by such prospectus supplement.

#### LIQUIDATION DISTRIBUTION UPON DISSOLUTION

Unless otherwise specified in an applicable prospectus supplement, each Declaration states that the related trust shall be dissolved:

- . on the expiration of the term of such trust;
- . upon the bankruptcy of Occidental;
- . upon the filing of a certificate of dissolution or its equivalent with respect to Occidental;
- . upon the filing of a certificate of cancellation with respect to such trust after obtaining the consent of at least a majority in liquidation amount of the preferred and common securities of such trust, voting together as a single class;
- . 90 days after the revocation of the charter of Occidental (but only if the charter is not reinstated during that 90-day period);
- . upon the distribution of the related subordinated debt securities directly to the holders of the preferred and common securities of such trust;
- . upon the redemption of all of the common and preferred securities of such trust; or
- . upon entry of a court order for the dissolution of Occidental, or such trust.

Unless otherwise specified in an applicable prospectus supplement, in the event of a dissolution, after the trust pays all amounts owed to creditors, the holders of the preferred and common securities will be entitled to receive:

- . cash equal to the aggregate liquidation amount of each preferred and common

security specified in an accompanying prospectus supplement, plus accumulated and unpaid distributions to the date of payment; unless

- . subordinated debt securities in an aggregate principal amount equal to the aggregate liquidation amount of the preferred and common securities are distributed to the holders of the preferred and common securities.

If such trust cannot pay the full amount due on its preferred and common securities because insufficient assets are available for payment, then the amounts payable by the trust on its preferred and common securities shall be paid pro rata. However, if an event of default under the related Declaration has occurred, the total amounts due on such preferred securities will be paid before any distribution on such common securities.

#### DECLARATION EVENTS OF DEFAULT

An event of default under the Subordinated Indenture relating to a series of subordinated debt securities is an event of default under the Declaration of the trust that owns these subordinated debt securities (a "Declaration Event of Default"). See "Description of the subordinated debt securities -- Events of Default Under the Subordinated Indenture."

Occidental and the Regular Trustees of a trust must file annually with the Property Trustee for such trust a certificate stating whether or not they are in compliance with all the applicable conditions and covenants under the related Declaration.

Upon the occurrence of a Declaration Event of Default, the Property Trustee of the applicable trust, as the sole holder of the subordinated debt securities held by such trust, will have the right under the Subordinated Indenture to declare the principal of, premium, if any, and interest on such subordinated debt securities to be immediately due and payable.

If a Property Trustee fails to enforce its rights under the related Declaration or the Subordinated Indenture to the fullest extent permitted by law and subject to the terms of such Declaration and the Subordinated Indenture, any holder of the preferred securities issued by the related trust may sue Occidental, or seek other remedies, to enforce the Property Trustee's rights under the Declaration or the Subordinated Indenture without first instituting a legal proceeding against such Property Trustee or any other person.

If Occidental fails to pay principal, premium, if any, or interest on a series of subordinated debt securities when payable, then a holder of the related preferred securities issued by a trust which owns such notes may directly sue Occidental or seek other remedies, to collect its pro rata share of payments owed.

#### REMOVAL AND REPLACEMENT OF TRUSTEES

Only the holder of a trust's common securities has the right to remove or replace the trustees of such trust. The resignation or removal of any trustee and the appointment of a successor trustee shall be effective only on the acceptance of appointment by the successor trustee in accordance with the provisions of the Declaration for such trust.

#### MERGERS, CONSOLIDATIONS OR AMALGAMATIONS OF THE TRUSTS

A trust may not consolidate, amalgamate, merge with or into, or be replaced by or convey, transfer or lease its properties and assets substantially as an entirety to any other corporation or other body ("Merger Event"), except as described below. A trust may, with the consent of a majority of its Regular

Trustees and without the consent of the holders of its preferred and common securities, consolidate, amalgamate, merge with or into, or be replaced by another trust, if:

- . the successor entity either
  - (1) assumes all of the obligations of the trust relating to its preferred and common securities; or
  - (2) substitutes for such trust's preferred and common securities other securities substantially similar to such preferred and common securities ("successor securities"), so long as the successor securities rank the same as such preferred and common securities for distributions and payments upon liquidation, redemption and otherwise;
- . Occidental acknowledges a trustee of such successor entity who has the same powers and duties as the Property Trustee of such trust as the holder of the particular series of subordinated debt securities;
- . the preferred securities are listed, or any successor securities will be listed, upon notice of issuance, on the same national securities exchange or other organization that the preferred securities are then listed;
- . the Merger Event does not cause its preferred securities or successor securities to be downgraded by any national rating agency;
- . the Merger Event does not adversely affect the rights, preferences and privileges of the holders of its preferred and common securities or successor securities in any material way (other than with respect to any dilution of the holders' interest in the new entity);
- . the successor entity has a purpose identical to that of the trust;
- . prior to the Merger Event, Occidental has received an opinion of counsel from a law firm stating that
  - (1) such Merger Event does not adversely affect the rights of the holders of the trust's preferred securities or any successor securities in any material way (other than with respect to any dilution of the holders' interest in the new entity); and
  - (2) following the Merger Event, neither the trust nor the successor entity will be required to register as an investment company under the Investment Company Act of 1940, as amended (the "Investment Company Act"); and
- . Occidental guarantees the obligations of the successor entity under the successor securities in the same manner as in the applicable Preferred Securities Guarantee and the guarantee of the common securities for such trust.

In addition, unless all of the holders of the preferred and common securities approve otherwise, a trust shall not consolidate, amalgamate, merge with or into, or be replaced by any other entity or permit any other entity to consolidate, amalgamate, merge with or into, or replace it, if such transaction would cause the trust or the successor entity to be classified other than as a grantor trust for United States federal income tax purposes.

#### VOTING RIGHTS; AMENDMENT OF DECLARATIONS

The holders of preferred securities have no voting rights except as discussed under "-- Mergers, Consolidations or Amalgamations of the Trust" and "Description of the Preferred Securities Guarantees--Amendments and Assignment," and as otherwise required by law and the Declaration for such trust.

A Declaration may be amended if approved by a majority of the Regular Trustees of the applicable trust. However, if any proposed amendment provides for, or such Regular Trustees otherwise propose to effect:

- (1) any action that would adversely affect the powers, preferences or special rights of the trust's preferred and common securities, whether by way of amendment to such Declaration or otherwise; or
- (2) the dissolution, winding-up or termination of such trust other than pursuant to the terms of its Declaration,

then the holders of the trust's preferred and common securities as a single class will be entitled to vote on such amendment or proposal. In that case, the amendment or proposal will be effective only if approved by at least a majority in liquidation amount of the preferred and common securities affected by such amendment or proposal.

If any amendment or proposal referred to in clause (1) above would adversely affect only the preferred securities or the common securities of a trust, then only the affected class will be entitled to vote on such amendment or proposal and such amendment or proposal will only be effective with the approval of at least a majority in liquidation amount of such affected class.

No amendment may be made to a Declaration if such amendment would:

- . cause the related trust to be characterized as other than a grantor trust for United States federal income tax purposes;
- . reduce or otherwise adversely affect the powers of the Property Trustee; or
- . cause the related trust to be deemed to be an "investment company" which is required to be registered under the Investment Company Act.

The holders of a majority in aggregate liquidation amount of the preferred securities of each trust have the right to:

- . direct the time, method and place of conducting any proceeding for any remedy available to the Property Trustee of the trust; or
- . direct the exercise of any trust or power conferred upon such Property Trustee under that trust's Declaration, including the right to direct the Property Trustee, as the holder of a series of subordinated debt securities, to
  - (1) exercise the remedies available under the Subordinated Indenture with respect to such subordinated debt securities;
  - (2) waive any event of default under the Subordinated Indenture that is waivable; or
  - (3) cancel an acceleration of the principal of the subordinated debt securities.

However, if the Subordinated Indenture requires the consent of the holders of more than a majority in aggregate principal amount of a series of subordinated debt securities (a "super-majority"), then the Property Trustee for such series must get approval of the holders of a super-majority in liquidation amount of such series of preferred securities.

In addition, before taking any of the foregoing actions, the Property Trustee must obtain an opinion of counsel stating that, as a result of such action, the trust will continue to be classified as a grantor trust for United States federal income tax purposes.

The Property Trustee of a trust will notify all preferred securities holders of such trust of any

notice received from the Subordinated Indenture Trustee with respect to the subordinated debt securities held by such trust.

As described in each Declaration, the Property Trustee may hold a meeting to have preferred securities holders vote on a change or have them approve the change by written consent.

If a vote of preferred securities holders is taken or a consent is obtained, any preferred securities that are owned by Occidental or any of its affiliates will, for purposes of the vote or consent, be treated as if they were not outstanding. This means:

- . Occidental and any of its affiliates will not be able to vote on or consent to matters requiring the vote or consent of holders of preferred securities; and
- . any preferred securities owned by Occidental or any of its affiliates will not be counted in determining whether the required percentage of votes or consents has been obtained.

#### INFORMATION CONCERNING THE PROPERTY TRUSTEES

For matters relating to compliance with the Trust Indenture Act, the Property Trustee of each trust will have all of the duties and responsibilities of an indenture trustee under the Trust Indenture Act. Each Property Trustee, other than during the occurrence and continuance of a Declaration Event of Default under the applicable trust, undertakes to perform only such duties as are specifically set forth in the applicable Declaration and, upon a Declaration Event of Default, must use the same degree of care and skill as a prudent person would exercise or use in the conduct of his or her own affairs. Subject to this provision, a Property Trustee is under no obligation to exercise any of the powers given it by the applicable Declaration at the request of any holder of preferred securities unless it is offered reasonable security or indemnity against the costs, expenses and liabilities that it might incur. However, the holders of the preferred securities will not be required to offer such an indemnity where the holders, by exercising their voting rights, direct the Property Trustee to take any action following a Declaration Event of Default.

The Bank of New York is a participating lender under one of Occidental's revolving credit agreements and provides commercial banking services to Occidental and its affiliates. The Bank of New York is the Senior Indenture Trustee and will act as the Subordinated Indenture Trustee, the Property Trustee and the Preferred Securities Guarantee Trustee. In addition, an affiliate of The Bank of New York will act as the Delaware Trustee of each of the trusts. However, if The Bank of New York acquires any conflicting interest when an event of default is pending, it must (with certain exceptions) eliminate such conflict or resign.

#### MISCELLANEOUS

The Regular Trustees of each trust are authorized and directed to conduct the affairs of and to operate such trust in such a way that

- . it will not be deemed to be an "investment company" required to be registered under the Investment Company Act;
- . it will be classified as a grantor trust for United States federal income tax purposes; and
- . the subordinated debt securities held by it will be treated as indebtedness of Occidental for United States federal income tax purposes.

Occidental and the Regular Trustees of a trust are authorized to take any action (so long as it is consistent with applicable law or the

applicable certificate of trust or Declaration) that Occidental and the Regular Trustees of such trust determine to be necessary or desirable for such purposes.

Holders of preferred securities have no preemptive or similar rights.

A trust may not borrow money, issue debt, execute mortgages or pledge any of its assets.

#### GOVERNING LAW

Each Declaration and the related preferred securities will be governed by and construed in accordance with the laws of the State of Delaware.

#### DESCRIPTION OF PREFERRED SECURITIES GUARANTEES

##### GENERAL

Occidental will execute a Preferred Securities Guarantee, which benefits the holders of preferred securities, at the time that a trust issues those preferred securities. Each Preferred Securities Guarantee will be qualified as an indenture under the Trust Indenture Act. The Bank of New York will act as indenture trustee ("Preferred Guarantee Trustee") under each Preferred Securities Guarantee for the purposes of compliance with the Trust Indenture Act. The Preferred Guarantee Trustee will hold each Preferred Securities Guarantee for the benefit of the preferred securities holders of the applicable trust.

Occidental will irrevocably agree, as described in each Preferred Securities Guarantee, to pay in full, to the holders of the preferred securities issued by the applicable trust, the Preferred Securities Guarantee Payments (as defined below) (except to the extent previously paid), when and as due, regardless of any defense, right of set-off or counterclaim which such trust may have or assert. The following payments, to the extent not paid by a trust ("Preferred Securities Guarantee Payments"), will be covered by the applicable Preferred Securities Guarantee:

- . any accrued and unpaid distributions required to be paid on the applicable preferred securities, to the extent that the trust has funds available to make the payment;
- . the redemption price, to the extent that the trust has funds available to make the payment; and
- . upon a voluntary or involuntary dissolution and liquidation of the trust (other than in connection with a distribution of subordinated debt securities to holders of such preferred securities or the redemption of all such preferred securities), the lesser of:
  - (1) the aggregate of the liquidation amount specified in the prospectus supplement for each preferred security plus all accrued and unpaid distributions on the preferred security to the date of payment, to the extent the trust has funds available to make the payment; and
  - (2) the amount of assets of the trust remaining available for distribution to holders of its preferred securities upon a dissolution and liquidation of the trust ("Liquidation Payment").

Occidental's obligation to make a Preferred Securities Guarantee Payment may be satisfied by directly paying the required amounts to the holders of the preferred securities or by causing the trust to pay the amounts to the holders.

No single document executed by Occidental relating to the issuance of preferred securities will provide for its full, irrevocable and unconditional guarantee of the preferred



securities. It is only the combined operation of Occidental's obligations under the applicable Preferred Securities Guarantee, Declaration, Subordinated Indenture and the subordinated debt securities that has the effect of providing a full, irrevocable and unconditional guarantee of a trust's obligations under its preferred securities.

#### STATUS OF THE PREFERRED SECURITIES GUARANTEES

Each Preferred Securities Guarantee will constitute an unsecured obligation of Occidental and will rank:

- . subordinate and junior in right of payment to all of Occidental's other liabilities (except for those liabilities made equal or junior by their terms to any liabilities of Occidental under such Preferred Securities Guarantee);
- . equal with any guarantee now or hereafter issued by Occidental in respect of the most senior preferred or preference stock now or hereafter issued by Occidental, and with any guarantee now or hereafter issued by it in respect of any preferred or preference stock of any of its affiliates; and
- . senior to Occidental's common stock.

Each Declaration will require that the holder of preferred securities accept the subordination provisions and other terms of the Preferred Securities Guarantee. Each Preferred Securities Guarantee will constitute a guarantee of payment and not of collection (in other words the holder of the guaranteed security may sue Occidental, or seek other remedies, to enforce its rights under the Preferred Securities Guarantee without first suing any other person or entity). A Preferred Securities Guarantee will not be discharged except by payment of the Preferred Securities Guarantee Payments in full to the extent not previously paid or upon distribution to the applicable preferred securities holders of the corresponding series of subordinated debt securities pursuant to the appropriate Declaration.

#### AMENDMENTS AND ASSIGNMENT

Except with respect to any changes which do not adversely affect the rights of holders of a series of preferred securities in any material respect (in which case no consent of such holders will be required), a Preferred Securities Guarantee may be amended only with the prior approval of the holders of at least a majority in aggregate liquidation amount of such preferred securities (excluding any such preferred securities held by Occidental or any of its affiliates). A description of the way to obtain any approval is described under "Description of the Preferred Securities--Voting Rights; Amendment of Declarations." All guarantees and agreements contained in a Preferred Securities Guarantee will be binding on Occidental's successors, assigns, receivers, trustees and representatives and are for the benefit of the holders of the applicable preferred securities.

#### PREFERRED SECURITIES GUARANTEE EVENTS OF DEFAULT

An event of default under a Preferred Securities Guarantee occurs if Occidental fails to make any of its required payments or perform its obligations under such Preferred Securities Guarantee.

The holders of at least a majority in aggregate liquidation amount of the preferred securities relating to each Preferred Securities Guarantee (excluding any preferred securities held by Occidental or any of its affiliates) will have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Preferred Guarantee Trustee relating to such Preferred Securities Guarantee or to direct the exercise of any trust or power

given to the Preferred Guarantee Trustee under such Preferred Securities Guarantee.

#### INFORMATION CONCERNING THE PREFERRED GUARANTEE TRUSTEES

The Preferred Guarantee Trustee under a Preferred Securities Guarantee, other than during the occurrence and continuance of a default under such Preferred Securities Guarantee, will perform only the duties that are specifically described in such Preferred Securities Guarantee. After such a default, the Preferred Guarantee Trustee will exercise the same degree of care and skill as a prudent person would exercise or use in the conduct of his or her own affairs. Subject to this provision, a Preferred Guarantee Trustee is under no obligation to exercise any of its powers as described in the applicable Preferred Securities Guarantee at the request of any holder of covered preferred securities unless it is offered reasonable indemnity against the costs, expenses and liabilities that it might incur.

#### TERMINATION OF THE PREFERRED SECURITIES GUARANTEES

Each Preferred Securities Guarantee will terminate once the applicable preferred securities are paid in full or upon distribution of the corresponding series of subordinated debt securities to the holders of such preferred securities. Each Preferred Securities Guarantee will continue to be effective or will be reinstated if at any time any holder of preferred securities issued by the applicable trust must restore payment of any sums paid under such preferred securities or such Preferred Securities Guarantee.

#### GOVERNING LAW

The Preferred Securities Guarantees will be governed by and construed in accordance with the laws of the State of New York.

#### RELATIONSHIP AMONG PREFERRED SECURITIES, PREFERRED SECURITIES GUARANTEES AND SUBORDINATED DEBT SECURITIES HELD BY EACH TRUST

Payments of distributions and redemption and liquidation payments due on each series of preferred securities (to the extent the applicable trust has funds available for the payments) will be guaranteed by Occidental to the extent described under "Description of the Preferred Securities Guarantees." No single document executed by Occidental in connection with the issuance of any series of preferred securities will provide for its full, irrevocable and unconditional guarantee of such preferred securities. It is only the combined operation of Occidental's obligations under the applicable Preferred Securities Guarantee, Declaration, Subordinated Indenture and subordinated debt securities that has the effect of providing a full, irrevocable and unconditional guarantee of a trust's obligations under its preferred securities.

As long as Occidental makes payments of interest and other payments when due on the subordinated debt securities held by a trust, such payments will be sufficient to cover the payment of distributions and redemption and liquidation payments due on the preferred securities issued by that trust, primarily because:

- . the aggregate principal amount of the subordinated debt securities will be equal to the sum of the aggregate liquidation amount of the preferred and common securities;
- . the interest rate and interest and other payment dates on the subordinated debt securities will match the distribution rate and distribution and other payment dates for the preferred securities;
- . Occidental shall pay for any and all costs, expenses and liabilities of each trust except

such trust's obligations under its preferred securities (and Occidental has agreed to guarantee such payment); and

- . each Declaration provides that the related trust will not engage in any activity that is not consistent with the limited purposes of the trust.

If and to the extent that Occidental does not make payments on such subordinated debt securities, such trust will not have funds available to make payments of distributions or other amounts due on its preferred securities. In those circumstances, you will not be able to rely upon the Preferred Securities Guarantee for payment of these amounts. Instead, you may directly sue Occidental or seek other remedies to collect your pro rata share of payments owed. If you sue Occidental to collect payment, then Occidental will assume your rights as a holder of preferred securities under such trust's Declaration to the extent Occidental makes a payment to you in any such legal action.

A holder of any preferred security may sue Occidental, or seek other remedies, to enforce its rights under the applicable Preferred Securities Guarantee without first suing the applicable Preferred Guarantee Trustee, the trust which issued the preferred security or any other person or entity.

#### PLAN OF DISTRIBUTION

Occidental may sell the senior debt securities or subordinated debt securities and a trust may sell its preferred securities being offered hereby in one or more of the following ways from time to time:

- . to underwriters for resale to the public or to institutional investors;
- . directly to institutional investors;
- . directly to agents;
- . through agents to the public or to institutional investors; or
- . if indicated in the prospectus supplement, pursuant to delayed delivery contracts or by remarketing firms.

The prospectus supplements will set forth the terms of the offering of each series of securities, including the name or names of any underwriters or agents, the purchase price of such securities and the proceeds to Occidental or the applicable trust, as the case may be, from such sale, any underwriting discounts or agency fees and other items constituting underwriters' or agents' compensation, any initial public offering price, any discounts or concessions allowed or reallocated or paid to dealers and any securities exchanges on which such securities may be listed.

If underwriters are used in the sale, the securities will be acquired by the underwriters for their own account and may be resold from time to time in one or more transactions, including negotiated transactions, at a fixed public offering price or prices, which may be changed, or at market or varying prices determined at the time of sale.

Unless otherwise set forth in a prospectus supplement, the obligations of the underwriters to purchase any series of securities will be subject to certain conditions precedent and the underwriters will be obligated to purchase all of such series of securities, if any are purchased.

If a dealer is utilized in the sale of securities, Occidental will sell such securities to the dealer, as principal. The dealer may then resell the securities to the public at varying prices to be determined by the dealer at the time of resale.

Securities may also be offered and sold, if so indicated in the prospectus supplement, in connection with a remarketing upon their purchase, in accordance with a redemption or repayment pursuant to their terms, or otherwise, by one or more firms ("remarketing firms")

acting as principals for their own accounts or as agents for Occidental. Any remarketing firm will be identified and the terms of its agreement, if any, with Occidental and its compensation will be described in the prospectus supplement.

Underwriters, agents, dealers and remarketing firms may be entitled under agreements entered into with Occidental and/or a trust to indemnification by Occidental and/or such trust against certain civil liabilities, including liabilities under the Securities Act of 1933, or to contribution with respect to payments which the underwriters or agents may be required to make in respect thereof. Underwriters, agents, dealers and remarketing firms may be customers of, engage in transactions with, or perform services for Occidental and its affiliates in the ordinary course of business.

Each series of securities will be a new issue of securities and will have no established trading market. Any underwriters to whom securities are sold by Occidental or by the trusts for public offering and sale may make a market in the securities, but such underwriters will not be obligated to do so and may discontinue any market making at any time without notice. The securities may or may not be listed on a national securities exchange or a foreign securities exchange.

#### LEGAL OPINIONS

The validity of the senior debt securities, the subordinated debt securities, the Preferred Securities Guarantees and certain matters relating thereto will be passed on for Occidental by Robert E. Sawyer, Esq., Associate General Counsel of Occidental, and by Skadden, Arps, Slate, Meagher & Flom LLP, Los Angeles, California, and for any underwriters by Brown & Wood LLP, Los Angeles, California. Mr. Sawyer beneficially owns, and has rights to acquire under employee stock options, an aggregate of less than 1% of the outstanding common stock of Occidental.

#### EXPERTS

The consolidated financial statements and financial statement schedule of Occidental and its subsidiaries, for the fiscal year ended December 31, 1997, included or incorporated by reference in Occidental's Annual Report on Form 10-K for the fiscal year ended December 31, 1997, which are incorporated by reference in this prospectus, have been audited by Arthur Andersen LLP, independent public accountants, as indicated in their reports with respect thereto, and are incorporated by reference herein in reliance upon the authority of said firm as experts in accounting and auditing in giving said reports.

The statements of financial position of the U.S. Department of Energy Naval Petroleum Reserve No. 1 (NPR-1) as of September 30, 1997 and 1996, and the related statements of operations and changes in net position, and cash flows for the year then ended, which appears in Occidental's Current Report on Form 8-K dated February 10, 1998 (date of earliest event reported) have been incorporated by reference herein and in the registration statement in reliance upon the report dated November 14, 1997 of KPMG Peat Marwick LLP, independent auditors, incorporated by reference herein, and upon the authority of said firm as experts in accounting and auditing.

The financial statements of the Lyondell Contributed Business and Equistar Chemicals, LP which appear in Occidental's Current Report of Form 8-K dated May 15, 1998 have been incorporated by reference herein and in the registration statement in reliance on the report dated July 7, 1998 and the report dated February 16, 1998 of PricewaterhouseCoopers LLP, independent accountants, incorporated by reference herein, and upon the authority of said firm as experts in accounting and auditing.

The statements of income and cash flows of the Millennium Contributed Business which appear in Occidental's Current Report on Form 8-K dated May 15, 1998 have been incorporated by reference herein and in the registration statement in reliance on the report dated July 9, 1998 of PricewaterhouseCoopers LLP, independent accountants, incorporated by reference herein, and upon the authority of said firm as experts in accounting and auditing.

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

ITEM 14. OTHER EXPENSES OF ISSUANCE AND DISTRIBUTION.

The following table sets forth the expenses to be borne by Occidental in connection with the offerings described in this Registration Statement.

SEC filing fee.....	\$ 389,200
Printing fees and expenses.....	25,000
Accounting fees and expenses.....	65,000
Rating agency fees.....	402,750
Legal fees and expenses.....	50,000
Trustee fees and expenses.....	10,500
Blue sky fees and expenses.....	10,000
Miscellaneous.....	47,550
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Total.....	\$1,000,000
	=====

ITEM 15. INDEMNIFICATION OF DIRECTORS AND OFFICERS.

Section 145 of the Delaware General Corporation Law (DGCL) permits the Board of Directors of Occidental to indemnify any person against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him or her in connection with any threatened, pending or completed action, suit or proceeding in which such person is made a party by reason of his or her being or having been a director, officer, employee or agent of Occidental, as the case may be, in terms sufficiently broad to permit such indemnification under certain circumstances for liabilities (including reimbursement for expenses incurred) arising under the Securities Act of 1933, as amended (the Securities Act). The statute provides that indemnification pursuant to its provisions is not exclusive of other rights of indemnification to which a person may be entitled under any bylaw, agreement, vote of stockholders or disinterested directors, or otherwise.

Occidental's Restated Certificate of Incorporation, as amended, provides for the indemnification of its directors and officers to the fullest extent permitted by the DGCL. Occidental has also entered into indemnification agreements with each director and certain officers providing for additional indemnification. Additionally, Article VIII of Occidental's By-laws provides that Occidental shall indemnify directors and officers under certain circumstances for liabilities and expenses incurred by reason of their activities in such capacities. In addition, Occidental has insurance policies that provide liability coverage to directors and officers while acting in such capacities.

The Declaration of Trust of each trust provides that no Regular Trustee, affiliate of any Regular Trustee, or any officers, directors, shareholders, members, partners, employees, representatives or agents of any Regular Trustee, or any employee or agent of such trust or its affiliates (each an Indemnified Person) shall be liable, responsible or accountable in damages or otherwise to such trust or any employee or agent of the trust or its affiliates for any loss, damage or claim incurred by reason of any act or omission performed or omitted by such Indemnified Person in good faith on behalf of such trust and in a manner such Indemnified Person reasonably believed to be within the scope of the authority conferred on such Indemnified Person by such Declaration or by law, except that an Indemnified Person shall be liable for any such loss, damage or claim incurred by reason of such Indemnified Person's gross negligence or willful misconduct with respect to such acts or omissions.

The Declaration of Trust of each trust also provides that to the fullest extent permitted by applicable law, Occidental shall indemnify and hold harmless each Indemnified Person from and against any loss, damage or claim incurred by such Indemnified Person by reason of any act or omission performed or omitted by such

Indemnified Person in good faith on behalf of such trust and in a manner such Indemnified Person reasonably believed to be within the scope of authority conferred on such Indemnified Person by such Declaration, except that no Indemnified Person shall be entitled to be indemnified in respect of any loss, damage or claim incurred by such Indemnified Person by reason of gross negligence or willful misconduct with respect to such act or omissions. The Declaration of each trust further provides that, to the fullest extent permitted by applicable law, expenses (including legal fees) incurred by an Indemnified Person in defending any claim, demand, action, suit or proceeding shall, from time to time, be advanced by Occidental prior to the final disposition of such claim, demand, action, suit or proceeding upon receipt by of an undertaking by or on behalf of the Indemnified Person to repay such amount if it shall be determined that the Indemnified Person is not entitled to be indemnified for the underlying cause of action as authorized by such Declaration.

The directors and officers of Occidental and the Regular Trustees of each trust are covered by insurance policies indemnifying against certain liabilities, including certain liabilities arising under the Securities Act which might be incurred by them in such capacities.

ITEM 16. EXHIBITS.

- 1.1 Form of Underwriting Agreement (Preferred Securities).\*\*
- 1.2 Form of Underwriting Agreement (Debt Securities) (incorporated by reference from Exhibit 1.1 to Occidental's Registration Statement on Form S-3 (File No. 333-52053) filed with the Commission on May 7, 1998).
- 3.1 Certificate of Trust of Oxy Capital Trust I.\*
- 3.2 Certificate of Trust of Oxy Capital Trust II.\*
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- 4.4 Form of Amended and Restated Declaration of Trust for each of Oxy Capital Trust I, Oxy Capital Trust II and Oxy Capital Trust III.
- 4.5 Indenture (Senior Debt Securities), dated as of April 1, 1998, between Occidental and The Bank of New York, as Trustee (incorporated by reference from Exhibit 4 to Occidental's Registration Statement on Form S-3 (File No. 333-52053), filed with the Commission on May 7, 1998).
- 4.6 Form of Indenture (Subordinated Debt Securities).
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- 5.1 Opinion of Robert E. Sawyer, Esq.
- 5.2 Opinion of Skadden, Arps, Slate, Meagher & Flom LLP.
- 12.1 Statement regarding the computation of total enterprise ratios of earnings to fixed charges and earnings to combined fixed charges and preferred stock dividends.\*
- 23.1 Consent of Robert E. Sawyer, Esq. (included in Exhibit 5.1).
- 23.2 Consent of Independent Public Accountants (Arthur Andersen LLP).\*
- 23.3 Consent of Independent Public Accountants (KPMG Peat Marwick LLP).\*
- 23.4 Consent of Independent Accountants (PricewaterhouseCoopers LLP).\*
- 23.5 Consent of Independent Accountants (PricewaterhouseCoopers LLP).\*
- 23.6 Consent of Skadden, Arps, Slate, Meagher & Flom LLP (included in Exhibit 5.2).
- 24.1 Powers of Attorney.\*
- 25.1 Statement of Eligibility on Form T-1 under the Trust Indenture Act of 1939, as amended, of The Bank of New York, as Trustee under the Indenture (Senior Debt Securities).
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\* Previously filed

\*\* To be filed by amendment or as an exhibit to a document to be incorporated or deemed to be incorporated by reference in the Registration Statement.

ITEM 17. UNDERTAKINGS.

(a) The undersigned registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement to include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement.

(2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(b) The undersigned registrant hereby undertakes that, for the purposes of determining any liability under the Securities Act of 1933, each filing of the registrant's annual report pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Securities Exchange Act of 1934) that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(c) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

(d) Oxy Capital Trust I, Oxy Capital Trust II and Oxy Capital Trust III each hereby undertakes to provide to the underwriter at the closing specified in the underwriting agreements, certificates in such denominations and registered in such names as required by the underwriter to permit prompt delivery to each purchaser.

SIGNATURES

Pursuant to the requirements of the Securities Act, Occidental Petroleum Corporation certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this Amendment to the Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Los Angeles, State of California, on January 6, 1999.

OCCIDENTAL PETROLEUM CORPORATION

\*

By: \_\_\_\_\_  
 Ray R. Irani  
 Chairman of the Board of  
 Directors and  
 Chief Executive Officer

Pursuant to the requirements of the Securities Act, this Registration Statement has been signed by the following persons in the capacities indicated on January 6, 1999.

SIGNATURE -----	TITLE -----
* _____ Ray R. Irani /s/ Anthony R. Leach	Chairman of the Board of Directors and Chief Executive Officer
Anthony R. Leach * _____	Executive Vice President and Chief Financial Officer
Samuel P. Dominick, Jr. * _____	Vice President and Controller (Chief Accounting Officer)
George O. Nolley * _____	Director
Rosemary Tomich * _____	Director
J. Roger Hirl * _____	Director
John W. Kluge * _____	Director
Rodolfo Segovia * _____	Director
Edward P. Djerejian _____	

SIGNATURE

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TITLE

-----

\*

Director

---

Dale R. Laurance

\*

Director

---

Irvin W. Maloney

\*

Director

---

Aziz D. Syriani

\*

Director

---

John E. Feick

\*

Director

---

John S. Chalsty

\*By /s/ Donald P. de Brier

Donald P. de Brier

Attorney-in-Fact







## EXHIBIT INDEX

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\* Previously filed

\*\* To be filed by amendment or as an exhibit to a document to be incorporated or deemed to be incorporated by reference in the Registration Statement.



DECLARATION OF TRUST  
OF  
OXY CAPITAL TRUST I

DECLARATION OF TRUST ("Declaration") dated and effective as of December 16, 1998, by the undersigned trustees (together with all other Persons (as defined herein) from time to time duly appointed and serving as trustees in accordance with the provisions of this Declaration, the "Trustees") and the Parent (as defined herein) as trust sponsor (the "Sponsor");

WHEREAS, the Trustees and the Sponsor desire to establish a trust (the "Trust") pursuant to the Delaware Business Trust Act (as defined herein) for the sole purpose of issuing and selling certain securities representing undivided beneficial interests in the assets of the Trust and investing the proceeds thereof in certain Subordinated Debt Securities (as defined herein) of the Parent; and

NOW, THEREFORE, it being the intention of the parties hereto that the Trust constitute a business trust under the Delaware Business Trust Act and that this Declaration constitute the governing instrument of such business trust, the Trustees declare that all assets contributed to the Trust will be held in trust for the benefit of the holders, from time to time, of the securities representing undivided beneficial interests issued hereunder, subject to the provisions of this Declaration.

ARTICLE I  
DEFINITIONS

SECTION 1.1 DEFINITIONS.

- (a) Capitalized terms used in this Declaration but not defined in the preamble above have the respective meanings assigned to them in this Section 1.1;
- (b) a term defined anywhere in this Declaration has the same meaning throughout;
- (c) all references to "the Declaration" or "this Declaration" are to this Declaration of Trust as modified, supplemented or amended from time to time;
- (d) all references in this Declaration to Articles and Sections and to Exhibits are to Articles and Sections of and Exhibits to this Declaration unless otherwise specified; and
- (e) a reference to the singular includes the plural and vice versa.

"AFFILIATE" has the same meaning as given to that term in Rule 405 of the Securities Act of 1933, as amended.

"BUSINESS DAY" means any day other than a day on which banking institutions in New York, New York are authorized or required by law to close.

"COMMON SECURITY" means a security representing an undivided beneficial interest in the assets of the Trust with such terms as may be set out in any amendment to this Declaration.

"COVERED PERSON" means any employee or agent of the Trust or its Affiliates.

"DELAWARE BUSINESS TRUST ACT" means Chapter 38 of Title 12 of the Delaware Code, 12 Del. Code Section 3801 et seq., as it may be amended from time to time.

"DELAWARE TRUSTEE" has the meaning set forth in Section 3.1.

"INDEMNIFIED PERSON" means any Trustee, any Affiliate of any Trustee or any officers, directors, shareholders, members, partners, employees, representatives or agents of any Trustee or any employee or agent of the Trust or its Affiliates.

"PARENT" means Occidental Petroleum Corporation, a Delaware corporation.

"PERSON" means any individual, joint venture, partnership, corporation, association, joint stock company, limited liability company, trust, unincorporated organization or other entity.

"PREFERRED SECURITY" means a security representing an undivided beneficial interest in the assets of the Trust with such terms as may be set out in any amendment to this Declaration.

"PROPERTY TRUSTEE" has the meaning set forth in Section 3.1.

"REGULAR TRUSTEE" means any Trustee other than the Delaware Trustee or the Property Trustee.

"SECURITIES" means the Common Securities and the Preferred Securities.

"SPONSOR" means the Parent in its capacity as Sponsor of the Trust.

"SUBORDINATED DEBT SECURITIES" means the series of subordinated debt securities to be issued by the Parent.

"TRUSTEE" or "TRUSTEES" means each Person who has signed the Declaration as a trustee, so long as such Person shall continue in office in accordance with the terms hereof, and all other Persons who may from time to time be duly appointed, qualified and servicing as Trustees in accordance with the provisions hereof, and references herein to a Trustee or the Trustees shall refer to such Person or Persons solely in their capacity as trustees hereunder.

## ARTICLE II ORGANIZATION

### SECTION 2.1 NAME.

The Trust created by this Declaration is named "Oxy Capital Trust I." The Trust's activities may be conducted under the name of the Trust or any other name deemed advisable by the Regular Trustees.

#### SECTION 2.2 OFFICE.

The address of the principal office of the Trust is 10889 Wilshire Boulevard, Los Angeles, California 90024. At any time, the Regular Trustees may designate another principal office.

#### SECTION 2.3 PURPOSE.

The exclusive purposes and functions of the Trust are (a) to issue and sell Securities and use the proceeds from such sale to acquire the Subordinated Debt Securities, and (b) except as otherwise limited herein, to engage in only those other activities necessary or incidental thereto. The Trust shall not borrow money, issue debt or reinvest proceeds derived from investments or, other than as permitted herein, pledge any of its assets.

#### SECTION 2.4 AUTHORITY.

Subject to the limitations provided in this Declaration, the Regular Trustees shall have exclusive and complete authority to carry out the purposes of the Trust. An action taken by the Regular Trustees in accordance with their powers shall constitute the act of and serve to bind the Trust. In dealing with the Regular Trustees acting on behalf of the Trust, no person shall be required to inquire into the authority of the Regular Trustees to bind the Trust. Persons dealing with the Trust are entitled to rely conclusively on the power and authority of the Regular Trustees as set forth in this Declaration.

#### SECTION 2.5 TITLE TO PROPERTY OF THE TRUST.

Legal title to all assets of the Trust shall be vested in the Trust.

#### SECTION 2.6 POWERS OF THE TRUSTEES.

The Regular Trustees shall have the exclusive power and authority to cause the Trust to engage in the following activities:

(a) to issue and sell Preferred Securities and Common Securities in accordance with this Declaration and, in connection with such issue and sale, to cause the Trust to file with the Securities and Exchange Commission a registration statement on Form S-3 in relation to the Preferred Securities, including any pre and post-effective amendments thereto (including any Registration Statement filed under Rule 462(b) of the Securities Act); provided, however, that the Trust may issue no more than one series of Preferred Securities and no more than one series of Common Securities;

(b) employ or otherwise engage employees and agents (who may be designated as officers with titles) and managers, contractors, advisors, and consultants and provide for reasonable compensation for such services;

(c) to incur expenses which are necessary or incidental to carry out any of the purposes of the Declaration;

(d) execute and enter into a Dealer Manager Agreement, Purchase Agreement or Underwriting Agreement in connection with the issuance of Preferred Securities; and

(e) execute all documents or instruments, perform all duties and powers, and do all things for and on behalf of the Trust in all matters necessary or incidental to the foregoing.

#### SECTION 2.7 FILING OF CERTIFICATE OF TRUST.

On or after the date of execution of this Declaration, the Trustees shall cause the filing of a Certificate of Trust for the Trust with the Secretary of State of the State of Delaware.

### ARTICLE III TRUSTEES

#### SECTION 3.1 TRUSTEES.

The number of Trustees shall initially be five (5), and thereafter the number of Trustees shall be such number as shall be fixed from time to time by a written instrument signed by the Sponsor. The Sponsor is entitled to appoint or remove without cause any Trustee at any time; PROVIDED, HOWEVER, that the number of Trustees shall in no event be less than five (5); and PROVIDED, FURTHER, that one Trustee, in the case of a natural person, shall be a person who is a resident of the State of Delaware or which, if not a natural person, has its principal place of business in the State of Delaware (the "Delaware Trustee"). Except as expressly set forth in this Declaration, any power of the Regular Trustees may be exercised by, or with the consent of, a majority of the Regular Trustees.

The initial Regular Trustees shall be A. R. Leach, J. R. Havert and John R. Zaylor, each having the same address as the Trust.

The initial Delaware Trustee shall be The Bank of New York (Delaware), White Clay Center, Route 273, Wilmington, Delaware 19711. The initial property trustee (the "Property Trustee") shall be The Bank of New York, 101 Barclay Street 21 West, New York, New York 10286.

#### SECTION 3.2 DELAWARE TRUSTEE AND PROPERTY TRUSTEE

Notwithstanding any other provision of this Declaration, neither the Delaware Trustee nor the Property Trustee shall be entitled to exercise any of the powers or shall have any of the responsibilities described in this Declaration of the Regular Trustees. Further, the Delaware Trustee shall be a Trustee for the sole and limited purpose of fulfilling the requirements of Section 3807 of the Delaware Business Trust Act.

#### SECTION 3.3 EXECUTION OF DOCUMENTS

(a) Any two Regular Trustees are authorized to execute on behalf of the Trust the Registration Statement referred to in Section 2.6(a) and any amendments thereto and any other

documents that the Regular Trustees have the power and authority to execute pursuant to Section 2.6; and

(b) a Regular Trustee may, by power of attorney consistent with applicable law, delegate to any other natural person over the age of 21 his or her power for the purposes of signing the Registration Statement referred to in Section 2.6(a) and any amendment thereto or making any other governmental filing.

ARTICLE IV  
LIMITATION OF LIABILITY OF  
SPONSOR, TRUSTEES OR OTHERS

SECTION 4.1 LIABILITY.

(a) Except as expressly set forth in this Declaration, the Sponsor shall not be:

- (i) personally liable for the return of any portion of the capital contributions (or any return thereon) of the holders of the Securities which shall be made solely from assets of the Trust; and
- (ii) the Sponsor shall not be required to pay to the Trust or to any holder of Securities any deficit upon dissolution or otherwise

(b) the Sponsor shall be liable for all debts and obligations of the Trust (other than with respect to the Securities) to the extent not satisfied out of the Trust's assets.

SECTION 4.2 EXCULPATION.

(a) No Indemnified Person shall be liable, responsible or accountable in damages or otherwise to the Trust or any Covered Person for any loss, damage or claim incurred by reason of any act or omission performed or omitted by such Indemnified Person in good faith on behalf of the Trust and in a manner such Indemnified Person reasonably believed to be within the scope of the authority conferred on such Indemnified Person by this Declaration or by law, except that an Indemnified Person shall be liable for any such loss, damage or claim incurred by reason of such Indemnified Person's gross negligence or willful misconduct with respect to such acts or omissions; and

(b) an Indemnified Person shall be fully protected in relying in good faith upon the records of the Trust and upon such information, opinions, reports or statements presented to the Trust by any Person as to matters the Indemnified Person reasonably believes are within such other Person's professional or expert competence and who has been selected with reasonable care by or on behalf of the Trust, including information, opinions, reports or statements as to the value and amount of the assets, liabilities, profits, losses, or any other facts pertinent to the existence and amount of assets from which distributions to holders of Securities might properly be paid.

SECTION 4.3 FIDUCIARY DUTY.

(a) To the extent that, at law or in equity, an Indemnified Person has duties (including fiduciary duties) and liabilities relating thereto to the Trust or to any other Covered Person, an Indemnified Person acting under this Declaration shall not be liable to the Trust or to any other Covered Person for its good faith reliance on the provisions of this Declaration. The provisions of this Declaration, to the extent that they restrict the duties and liabilities of an Indemnified Person otherwise existing at law or in equity, are agreed by the parties hereto to replace such other duties and liabilities of such Indemnified Person;

(b) unless otherwise expressly provided herein:

(i) whenever a conflict of interest exists or arises between Covered Persons; or

(ii) whenever this Declaration or any other agreement contemplated herein or therein provides that an Indemnified Person shall act in a manner that is, or provides terms that are, fair and reasonable to the Trust or any holder of Securities,

the Indemnified Person shall resolve such conflict of interest, take such action or provide such terms, considering in each case the relative interest of each party (including its own interest) to such conflict, agreement, transaction or situation and the benefits and burdens relating to such interests, any customary or accepted industry practices, and any applicable generally accepted accounting practices or principles. In the absence of bad faith by the Indemnified Person, the resolution, action or term so made, taken or provided by the Indemnified Person shall not constitute a breach of this Declaration or any other agreement contemplated herein or of any duty or obligation of the Indemnified Person at law or in equity or otherwise; and

(c) whenever in this Declaration an Indemnified Person is permitted or required to make a decision:

(i) in its "discretion" or under a grant of similar authority, the Indemnified Person shall be entitled to consider such interests and factors as it desires, including its own interests, and shall have no duty or obligation to give any consideration to any interest of or factors affecting the Trust or any other Person; or

(ii) in its "good faith" or under another express standard,

the Indemnified Person shall act under such express standard and shall not be subject to any other or different standard imposed by this Declaration or by applicable law.

#### SECTION 4.4 INDEMNIFICATION.

(a) To the fullest extent permitted by applicable law, the Sponsor shall indemnify and hold harmless each Indemnified Person from and against any loss, damage or claim incurred by such Indemnified Person by reason of any act or omission performed or omitted by such Indemnified Person in good faith on behalf of the Trust and in a manner such Indemnified Person reasonably believed to be within the scope of authority conferred on such Indemnified Person by this Declaration, except that no Indemnified Person shall be entitled to be indemnified in respect

of any loss, damage or claim incurred by such Indemnified Person by reason of gross negligence or willful misconduct with respect to such acts or omissions; and

(b) to the fullest extent permitted by applicable law, expenses (including legal fees) incurred by an Indemnified Person in defending any claim, demand, action, suit or proceeding shall, from time to time, be advanced by the Sponsor prior to the final disposition of such claim, demand, action, suit or proceeding upon receipt by the Sponsor of an undertaking by or on behalf of the Indemnified Person to repay such amount if it shall be determined that the Indemnified Person is not entitled to be indemnified as authorized in Section 4.4(a).

#### SECTION 4.5 OUTSIDE BUSINESSES.

Any Covered Person, the Delaware Trustee and the Property Trustee may engage in or possess an interest in other business ventures of any nature or description, independently or with others, similar or dissimilar to the business of the Trust, and the Trust and the holders of Securities shall have no rights by virtue of this Declaration in and to such independent ventures or the income or profits derived therefrom and the pursuit of any such venture, even if competitive with the business of the Trust, shall not be deemed wrongful or improper. No Covered Person, the Property Trustee or the Delaware Trustee shall be obligated to present any particular investment or other opportunity to the Trust even if such opportunity is of a character that, if presented to the Trust, could be taken by the Trust, and any Covered Person, the Property Trustee and the Delaware Trustee shall have the right to take for its own account (individually or as a partner or fiduciary) or to recommend to others any such particular investment or other opportunity.

### ARTICLE V AMENDMENTS, TERMINATION, MISCELLANEOUS

#### SECTION 5.1 AMENDMENTS.

At any time before the issue of any Securities, this Declaration may be amended by, and only by, a written instrument executed by all of the Regular Trustees and the Sponsor; provided no amendment may alter or affect the Delaware Trustee's or the Property Trustee's rights or duties hereunder without such trustee's prior written consent.

#### SECTION 5.2 TERMINATION OF TRUST.

- (a) The Trust shall terminate and be of no further force or effect:
- (i) upon the bankruptcy of the Sponsor;
  - (ii) upon the filing of a certificate of dissolution or its equivalent with respect to the Sponsor or the revocation of the Sponsor's charter or of the Trust's certificate of trust;
  - (iii) upon the entry of a decree of judicial dissolution of the Sponsor or the Trust; and

(iv) before the issue of any Securities, with the consent of all of the Regular Trustees and the Sponsor; and

(b) as soon as is practicable after the occurrence of an event referred to in Section 5.2(a), the Trustees shall file a certificate of cancellation with the Secretary of State of the State of Delaware.

#### SECTION 5.3 GOVERNING LAW.

This Declaration and the rights of the parties hereunder shall be governed by and interpreted in accordance with the laws of the State of Delaware and all rights and remedies shall be governed by such laws without regard to principles of conflict of laws.

#### SECTION 5.4 HEADINGS.

Headings contained in this Declaration are inserted for convenience of reference only and do not affect the interpretation of this Declaration or any provision hereof.

#### SECTION 5.5 PARTIAL ENFORCEABILITY.

If any provision of this Declaration, or the application of such provision to any Person or circumstance, shall be held invalid, the remainder of this Declaration, or the application of such provision to persons or circumstances other than those to which it is held invalid, shall not be affected thereby.

#### SECTION 5.6 COUNTERPARTS.

This Declaration may contain more than one counterpart of the signature page and this Declaration may be executed by the affixing of the signature of each of the Trustees to one of such counterpart signature pages. All of such counterpart signature pages shall be read as though one, and they shall have the same force and effect as though all of the signers had signed a single signature page.



IN WITNESS WHEREOF, the undersigned has caused these presents to be executed as of the day and year first above written.

OCCIDENTAL PETROLEUM CORPORATION, as Sponsor

The Bank of New York (Delaware), as Delaware Trustee

By: /s/ J. R. Havert

/s/ Walter N. Gitlin

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Name: J. R. Havert  
Title: Vice President and Treasurer

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Name: Walter N. Gitlin  
Title: Authorized Signatory

A. R. Leach, as Regular Trustee

/s/ A. R. Leach  
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J. R. Havert, as Regular Trustee

/s/ J. R. Havert  
-----

John R. Zaylor, as Regular Trustee

/s/ John R. Zaylor  
-----

The Bank of New York, as Property Trustee

/s/ Thomas C. Knight  
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Name: Thomas C. Knight  
Title: Assistant Vice President

DECLARATION OF TRUST  
OF  
OXY CAPITAL TRUST II

DECLARATION OF TRUST ("Declaration") dated and effective as of December 16, 1998, by the undersigned trustees (together with all other Persons (as defined herein) from time to time duly appointed and serving as trustees in accordance with the provisions of this Declaration, the "Trustees") and the Parent (as defined herein) as trust sponsor (the "Sponsor");

WHEREAS, the Trustees and the Sponsor desire to establish a trust (the "Trust") pursuant to the Delaware Business Trust Act (as defined herein) for the sole purpose of issuing and selling certain securities representing undivided beneficial interests in the assets of the Trust and investing the proceeds thereof in certain Subordinated Debt Securities (as defined herein) of the Parent; and

NOW, THEREFORE, it being the intention of the parties hereto that the Trust constitute a business trust under the Delaware Business Trust Act and that this Declaration constitute the governing instrument of such business trust, the Trustees declare that all assets contributed to the Trust will be held in trust for the benefit of the holders, from time to time, of the securities representing undivided beneficial interests issued hereunder, subject to the provisions of this Declaration.

ARTICLE I  
DEFINITIONS

SECTION 1.1 DEFINITIONS.

- (a) Capitalized terms used in this Declaration but not defined in the preamble above have the respective meanings assigned to them in this Section 1.1;
- (b) a term defined anywhere in this Declaration has the same meaning throughout;
- (c) all references to "the Declaration" or "this Declaration" are to this Declaration of Trust as modified, supplemented or amended from time to time;
- (d) all references in this Declaration to Articles and Sections and to Exhibits are to Articles and Sections of and Exhibits to this Declaration unless otherwise specified; and
- (e) a reference to the singular includes the plural and vice versa.

"AFFILIATE" has the same meaning as given to that term in Rule 405 of the Securities Act of 1933, as amended.

"BUSINESS DAY" means any day other than a day on which banking institutions in New York, New York are authorized or required by law to close.

"COMMON SECURITY" means a security representing an undivided beneficial interest in the assets of the Trust with such terms as may be set out in any amendment to this Declaration.

"COVERED PERSON" means any employee or agent of the Trust or its Affiliates.

"DELAWARE BUSINESS TRUST ACT" means Chapter 38 of Title 12 of the Delaware Code, 12 Del. Code Section 3801 et seq., as it may be amended from time to time.

"DELAWARE TRUSTEE" has the meaning set forth in Section 3.1.

"INDEMNIFIED PERSON" means any Trustee, any Affiliate of any Trustee or any officers, directors, shareholders, members, partners, employees, representatives or agents of any Trustee or any employee or agent of the Trust or its Affiliates.

"PARENT" means Occidental Petroleum Corporation, a Delaware corporation.

"PERSON" means any individual, joint venture, partnership, corporation, association, joint stock company, limited liability company, trust, unincorporated organization or other entity.

"PREFERRED SECURITY" means a security representing an undivided beneficial interest in the assets of the Trust with such terms as may be set out in any amendment to this Declaration.

"PROPERTY TRUSTEE" has the meaning set forth in Section 3.1.

"REGULAR TRUSTEE" means any Trustee other than the Delaware Trustee or the Property Trustee.

"SECURITIES" means the Common Securities and the Preferred Securities.

"SPONSOR" means the Parent in its capacity as Sponsor of the Trust.

"SUBORDINATED DEBT SECURITIES" means the series of subordinated debt securities to be issued by the Parent.

"TRUSTEE" or "TRUSTEES" means each Person who has signed the Declaration as a trustee, so long as such Person shall continue in office in accordance with the terms hereof, and all other Persons who may from time to time be duly appointed, qualified and servicing as Trustees in accordance with the provisions hereof, and references herein to a Trustee or the Trustees shall refer to such Person or Persons solely in their capacity as trustees hereunder.

## ARTICLE II ORGANIZATION

### SECTION 2.1 NAME.

The Trust created by this Declaration is named "Oxy Capital Trust II." The Trust's activities may be conducted under the name of the Trust or any other name deemed advisable by the Regular Trustees.

#### SECTION 2.2 OFFICE.

The address of the principal office of the Trust is 10889 Wilshire Boulevard, Los Angeles, California 90024. At any time, the Regular Trustees may designate another principal office.

#### SECTION 2.3 PURPOSE.

The exclusive purposes and functions of the Trust are (a) to issue and sell Securities and use the proceeds from such sale to acquire the Subordinated Debt Securities, and (b) except as otherwise limited herein, to engage in only those other activities necessary or incidental thereto. The Trust shall not borrow money, issue debt or reinvest proceeds derived from investments or, other than as permitted herein, pledge any of its assets.

#### SECTION 2.4 AUTHORITY.

Subject to the limitations provided in this Declaration, the Regular Trustees shall have exclusive and complete authority to carry out the purposes of the Trust. An action taken by the Regular Trustees in accordance with their powers shall constitute the act of and serve to bind the Trust. In dealing with the Regular Trustees acting on behalf of the Trust, no person shall be required to inquire into the authority of the Regular Trustees to bind the Trust. Persons dealing with the Trust are entitled to rely conclusively on the power and authority of the Regular Trustees as set forth in this Declaration.

#### SECTION 2.5 TITLE TO PROPERTY OF THE TRUST.

Legal title to all assets of the Trust shall be vested in the Trust.

#### SECTION 2.6 POWERS OF THE TRUSTEES.

The Regular Trustees shall have the exclusive power and authority to cause the Trust to engage in the following activities:

(a) to issue and sell Preferred Securities and Common Securities in accordance with this Declaration and, in connection with such issue and sale, to cause the Trust to file with the Securities and Exchange Commission a registration statement on Form S-3 in relation to the Preferred Securities, including any pre and post-effective amendments thereto (including any Registration Statement filed under Rule 462(b) of the Securities Act); provided, however, that the Trust may issue no more than one series of Preferred Securities and no more than one series of Common Securities;

(b) employ or otherwise engage employees and agents (who may be designated as officers with titles) and managers, contractors, advisors, and consultants and provide for reasonable compensation for such services;

(c) to incur expenses which are necessary or incidental to carry out any of the purposes of the Declaration;

(d) execute and enter into a Dealer Manager Agreement, Purchase Agreement or Underwriting Agreement in connection with the issuance of Preferred Securities; and

(e) execute all documents or instruments, perform all duties and powers, and do all things for and on behalf of the Trust in all matters necessary or incidental to the foregoing.

#### SECTION 2.7 FILING OF CERTIFICATE OF TRUST.

On or after the date of execution of this Declaration, the Trustees shall cause the filing of a Certificate of Trust for the Trust with the Secretary of State of the State of Delaware.

### ARTICLE III TRUSTEES

#### SECTION 3.1 TRUSTEES.

The number of Trustees shall initially be five (5), and thereafter the number of Trustees shall be such number as shall be fixed from time to time by a written instrument signed by the Sponsor. The Sponsor is entitled to appoint or remove without cause any Trustee at any time; PROVIDED, HOWEVER, that the number of Trustees shall in no event be less than five (5); and PROVIDED, FURTHER, that one Trustee, in the case of a natural person, shall be a person who is a resident of the State of Delaware or which, if not a natural person, has its principal place of business in the State of Delaware (the "Delaware Trustee"). Except as expressly set forth in this Declaration, any power of the Regular Trustees may be exercised by, or with the consent of, a majority of the Regular Trustees.

The initial Regular Trustees shall be A. R. Leach, J. R. Havert and John R. Zaylor, each having the same address as the Trust.

The initial Delaware Trustee shall be The Bank of New York (Delaware), White Clay Center, Route 273, Wilmington, Delaware 19711. The initial property trustee (the "Property Trustee") shall be The Bank of New York, 101 Barclay Street 21 West, New York, New York 10286.

#### SECTION 3.2 DELAWARE TRUSTEE AND PROPERTY TRUSTEE

Notwithstanding any other provision of this Declaration, neither the Delaware Trustee nor the Property Trustee shall be entitled to exercise any of the powers or shall have any of the responsibilities described in this Declaration of the Regular Trustees. Further, the Delaware Trustee shall be a Trustee for the sole and limited purpose of fulfilling the requirements of Section 3807 of the Delaware Business Trust Act.

#### SECTION 3.3 EXECUTION OF DOCUMENTS

(a) Any two Regular Trustees are authorized to execute on behalf of the Trust the Registration Statement referred to in Section 2.6(a) and any amendments thereto and any other

documents that the Regular Trustees have the power and authority to execute pursuant to Section 2.6; and

(b) a Regular Trustee may, by power of attorney consistent with applicable law, delegate to any other natural person over the age of 21 his or her power for the purposes of signing the Registration Statement referred to in Section 2.6(a) and any amendment thereto or making any other governmental filing.

ARTICLE IV  
LIMITATION OF LIABILITY OF  
SPONSOR, TRUSTEES OR OTHERS

SECTION 4.1 LIABILITY.

(a) Except as expressly set forth in this Declaration, the Sponsor shall not be:

(i) personally liable for the return of any portion of the capital contributions (or any return thereon) of the holders of the Securities which shall be made solely from assets of the Trust; and

(ii) the Sponsor shall not be required to pay to the Trust or to any holder of Securities any deficit upon dissolution or otherwise

(b) the Sponsor shall be liable for all debts and obligations of the Trust (other than with respect to the Securities) to the extent not satisfied out of the Trust's assets.

SECTION 4.2 EXCULPATION.

(a) No Indemnified Person shall be liable, responsible or accountable in damages or otherwise to the Trust or any Covered Person for any loss, damage or claim incurred by reason of any act or omission performed or omitted by such Indemnified Person in good faith on behalf of the Trust and in a manner such Indemnified Person reasonably believed to be within the scope of the authority conferred on such Indemnified Person by this Declaration or by law, except that an Indemnified Person shall be liable for any such loss, damage or claim incurred by reason of such Indemnified Person's gross negligence or willful misconduct with respect to such acts or omissions; and

(b) an Indemnified Person shall be fully protected in relying in good faith upon the records of the Trust and upon such information, opinions, reports or statements presented to the Trust by any Person as to matters the Indemnified Person reasonably believes are within such other Person's professional or expert competence and who has been selected with reasonable care by or on behalf of the Trust, including information, opinions, reports or statements as to the value and amount of the assets, liabilities, profits, losses, or any other facts pertinent to the existence and amount of assets from which distributions to holders of Securities might properly be paid.

SECTION 4.3 FIDUCIARY DUTY.

(a) To the extent that, at law or in equity, an Indemnified Person has duties (including fiduciary duties) and liabilities relating thereto to the Trust or to any other Covered Person, an Indemnified Person acting under this Declaration shall not be liable to the Trust or to any other Covered Person for its good faith reliance on the provisions of this Declaration. The provisions of this Declaration, to the extent that they restrict the duties and liabilities of an Indemnified Person otherwise existing at law or in equity, are agreed by the parties hereto to replace such other duties and liabilities of such Indemnified Person;

(b) unless otherwise expressly provided herein:

(i) whenever a conflict of interest exists or arises between Covered Persons; or

(ii) whenever this Declaration or any other agreement contemplated herein or therein provides that an Indemnified Person shall act in a manner that is, or provides terms that are, fair and reasonable to the Trust or any holder of Securities,

the Indemnified Person shall resolve such conflict of interest, take such action or provide such terms, considering in each case the relative interest of each party (including its own interest) to such conflict, agreement, transaction or situation and the benefits and burdens relating to such interests, any customary or accepted industry practices, and any applicable generally accepted accounting practices or principles. In the absence of bad faith by the Indemnified Person, the resolution, action or term so made, taken or provided by the Indemnified Person shall not constitute a breach of this Declaration or any other agreement contemplated herein or of any duty or obligation of the Indemnified Person at law or in equity or otherwise; and

(c) whenever in this Declaration an Indemnified Person is permitted or required to make a decision:

(i) in its "discretion" or under a grant of similar authority, the Indemnified Person shall be entitled to consider such interests and factors as it desires, including its own interests, and shall have no duty or obligation to give any consideration to any interest of or factors affecting the Trust or any other Person; or

(ii) in its "good faith" or under another express standard,

the Indemnified Person shall act under such express standard and shall not be subject to any other or different standard imposed by this Declaration or by applicable law.

#### SECTION 4.4 INDEMNIFICATION.

(a) To the fullest extent permitted by applicable law, the Sponsor shall indemnify and hold harmless each Indemnified Person from and against any loss, damage or claim incurred by such Indemnified Person by reason of any act or omission performed or omitted by such Indemnified Person in good faith on behalf of the Trust and in a manner such Indemnified Person reasonably believed to be within the scope of authority conferred on such Indemnified Person by this Declaration, except that no Indemnified Person shall be entitled to be indemnified in respect

of any loss, damage or claim incurred by such Indemnified Person by reason of gross negligence or willful misconduct with respect to such acts or omissions; and

(b) to the fullest extent permitted by applicable law, expenses (including legal fees) incurred by an Indemnified Person in defending any claim, demand, action, suit or proceeding shall, from time to time, be advanced by the Sponsor prior to the final disposition of such claim, demand, action, suit or proceeding upon receipt by the Sponsor of an undertaking by or on behalf of the Indemnified Person to repay such amount if it shall be determined that the Indemnified Person is not entitled to be indemnified as authorized in Section 4.4(a).

#### SECTION 4.5 OUTSIDE BUSINESSES.

Any Covered Person, the Delaware Trustee and the Property Trustee may engage in or possess an interest in other business ventures of any nature or description, independently or with others, similar or dissimilar to the business of the Trust, and the Trust and the holders of Securities shall have no rights by virtue of this Declaration in and to such independent ventures or the income or profits derived therefrom and the pursuit of any such venture, even if competitive with the business of the Trust, shall not be deemed wrongful or improper. No Covered Person, the Property Trustee or the Delaware Trustee shall be obligated to present any particular investment or other opportunity to the Trust even if such opportunity is of a character that, if presented to the Trust, could be taken by the Trust, and any Covered Person, the Property Trustee and the Delaware Trustee shall have the right to take for its own account (individually or as a partner or fiduciary) or to recommend to others any such particular investment or other opportunity.

### ARTICLE V AMENDMENTS, TERMINATION, MISCELLANEOUS

#### SECTION 5.1 AMENDMENTS.

At any time before the issue of any Securities, this Declaration may be amended by, and only by, a written instrument executed by all of the Regular Trustees and the Sponsor; provided no amendment may alter or affect the Delaware Trustee's or the Property Trustee's rights or duties hereunder without such trustee's prior written consent.

#### SECTION 5.2 TERMINATION OF TRUST.

- (a) The Trust shall terminate and be of no further force or effect:
- (i) upon the bankruptcy of the Sponsor;
  - (ii) upon the filing of a certificate of dissolution or its equivalent with respect to the Sponsor or the revocation of the Sponsor's charter or of the Trust's certificate of trust;
  - (iii) upon the entry of a decree of judicial dissolution of the Sponsor or the Trust; and



(iv) before the issue of any Securities, with the consent of all of the Regular Trustees and the Sponsor; and

(b) as soon as is practicable after the occurrence of an event referred to in Section 5.2(a), the Trustees shall file a certificate of cancellation with the Secretary of State of the State of Delaware.

#### SECTION 5.3 GOVERNING LAW.

This Declaration and the rights of the parties hereunder shall be governed by and interpreted in accordance with the laws of the State of Delaware and all rights and remedies shall be governed by such laws without regard to principles of conflict of laws.

#### SECTION 5.4 HEADINGS.

Headings contained in this Declaration are inserted for convenience of reference only and do not affect the interpretation of this Declaration or any provision hereof.

#### SECTION 5.5 PARTIAL ENFORCEABILITY.

If any provision of this Declaration, or the application of such provision to any Person or circumstance, shall be held invalid, the remainder of this Declaration, or the application of such provision to persons or circumstances other than those to which it is held invalid, shall not be affected thereby.

#### SECTION 5.6 COUNTERPARTS.

This Declaration may contain more than one counterpart of the signature page and this Declaration may be executed by the affixing of the signature of each of the Trustees to one of such counterpart signature pages. All of such counterpart signature pages shall be read as though one, and they shall have the same force and effect as though all of the signers had signed a single signature page.

IN WITNESS WHEREOF, the undersigned has caused these presents to be executed as of the day and year first above written.

OCCIDENTAL PETROLEUM CORPORATION, as Sponsor

The Bank of New York (Delaware), as Delaware Trustee

By: /s/ J. R. Havert

/s/ Walter N. Gitlin

-----  
Name: J. R. Havert  
Title: Vice President and Treasurer

-----  
Name: Walter N. Gitlin  
Title: Authorized Signatory

A. R. Leach, as Regular Trustee

/s/ A. R. Leach  
-----

J. R. Havert, as Regular Trustee

/s/ J. R. Havert  
-----

John R. Zaylor, as Regular Trustee

/s/ John R. Zaylor  
-----

The Bank of New York, as Property Trustee

/s/ Thomas C. Knight  
-----

Name: Thomas C. Knight  
Title: Assistant Vice President

DECLARATION OF TRUST  
OF  
OXY CAPITAL TRUST III

DECLARATION OF TRUST ("Declaration") dated and effective as of December 16, 1998, by the undersigned trustees (together with all other Persons (as defined herein) from time to time duly appointed and serving as trustees in accordance with the provisions of this Declaration, the "Trustees") and the Parent (as defined herein) as trust sponsor (the "Sponsor");

WHEREAS, the Trustees and the Sponsor desire to establish a trust (the "Trust") pursuant to the Delaware Business Trust Act (as defined herein) for the sole purpose of issuing and selling certain securities representing undivided beneficial interests in the assets of the Trust and investing the proceeds thereof in certain Subordinated Debt Securities (as defined herein) of the Parent; and

NOW, THEREFORE, it being the intention of the parties hereto that the Trust constitute a business trust under the Delaware Business Trust Act and that this Declaration constitute the governing instrument of such business trust, the Trustees declare that all assets contributed to the Trust will be held in trust for the benefit of the holders, from time to time, of the securities representing undivided beneficial interests issued hereunder, subject to the provisions of this Declaration.

ARTICLE I  
DEFINITIONS

SECTION 1.1 DEFINITIONS.

- (a) Capitalized terms used in this Declaration but not defined in the preamble above have the respective meanings assigned to them in this Section 1.1;
- (b) a term defined anywhere in this Declaration has the same meaning throughout;
- (c) all references to "the Declaration" or "this Declaration" are to this Declaration of Trust as modified, supplemented or amended from time to time;
- (d) all references in this Declaration to Articles and Sections and to Exhibits are to Articles and Sections of and Exhibits to this Declaration unless otherwise specified; and
- (e) a reference to the singular includes the plural and vice versa.

"AFFILIATE" has the same meaning as given to that term in Rule 405 of the Securities Act of 1933, as amended.

"BUSINESS DAY" means any day other than a day on which banking institutions in New York, New York are authorized or required by law to close.

"COMMON SECURITY" means a security representing an undivided beneficial interest in the assets of the Trust with such terms as may be set out in any amendment to this Declaration.

"COVERED PERSON" means any employee or agent of the Trust or its Affiliates.

"DELAWARE BUSINESS TRUST ACT" means Chapter 38 of Title 12 of the Delaware Code, 12 Del. Code Section 3801 et seq., as it may be amended from time to time.

"DELAWARE TRUSTEE" has the meaning set forth in Section 3.1.

"INDEMNIFIED PERSON" means any Trustee, any Affiliate of any Trustee or any officers, directors, shareholders, members, partners, employees, representatives or agents of any Trustee or any employee or agent of the Trust or its Affiliates.

"PARENT" means Occidental Petroleum Corporation, a Delaware corporation.

"PERSON" means any individual, joint venture, partnership, corporation, association, joint stock company, limited liability company, trust, unincorporated organization or other entity.

"PREFERRED SECURITY" means a security representing an undivided beneficial interest in the assets of the Trust with such terms as may be set out in any amendment to this Declaration.

"PROPERTY TRUSTEE" has the meaning set forth in Section 3.1.

"REGULAR TRUSTEE" means any Trustee other than the Delaware Trustee or the Property Trustee.

"SECURITIES" means the Common Securities and the Preferred Securities.

"SPONSOR" means the Parent in its capacity as Sponsor of the Trust.

"SUBORDINATED DEBT SECURITIES" means the series of subordinated debt securities to be issued by the Parent.

"TRUSTEE" or "TRUSTEES" means each Person who has signed the Declaration as a trustee, so long as such Person shall continue in office in accordance with the terms hereof, and all other Persons who may from time to time be duly appointed, qualified and servicing as Trustees in accordance with the provisions hereof, and references herein to a Trustee or the Trustees shall refer to such Person or Persons solely in their capacity as trustees hereunder.

## ARTICLE II ORGANIZATION

### SECTION 2.1 NAME.

The Trust created by this Declaration is named "Oxy Capital Trust III." The Trust's activities may be conducted under the name of the Trust or any other name deemed advisable by the Regular Trustees.

#### SECTION 2.2 OFFICE.

The address of the principal office of the Trust is 10889 Wilshire Boulevard, Los Angeles, California 90024. At any time, the Regular Trustees may designate another principal office.

#### SECTION 2.3 PURPOSE.

The exclusive purposes and functions of the Trust are (a) to issue and sell Securities and use the proceeds from such sale to acquire the Subordinated Debt Securities, and (b) except as otherwise limited herein, to engage in only those other activities necessary or incidental thereto. The Trust shall not borrow money, issue debt or reinvest proceeds derived from investments or, other than as permitted herein, pledge any of its assets.

#### SECTION 2.4 AUTHORITY.

Subject to the limitations provided in this Declaration, the Regular Trustees shall have exclusive and complete authority to carry out the purposes of the Trust. An action taken by the Regular Trustees in accordance with their powers shall constitute the act of and serve to bind the Trust. In dealing with the Regular Trustees acting on behalf of the Trust, no person shall be required to inquire into the authority of the Regular Trustees to bind the Trust. Persons dealing with the Trust are entitled to rely conclusively on the power and authority of the Regular Trustees as set forth in this Declaration.

#### SECTION 2.5 TITLE TO PROPERTY OF THE TRUST.

Legal title to all assets of the Trust shall be vested in the Trust.

#### SECTION 2.6 POWERS OF THE TRUSTEES.

The Regular Trustees shall have the exclusive power and authority to cause the Trust to engage in the following activities:

(a) to issue and sell Preferred Securities and Common Securities in accordance with this Declaration and, in connection with such issue and sale, to cause the Trust to file with the Securities and Exchange Commission a registration statement on Form S-3 in relation to the Preferred Securities, including any pre and post-effective amendments thereto (including any Registration Statement filed under Rule 462(b) of the Securities Act); provided, however, that the Trust may issue no more than one series of Preferred Securities and no more than one series of Common Securities;

(b) employ or otherwise engage employees and agents (who may be designated as officers with titles) and managers, contractors, advisors, and consultants and provide for reasonable compensation for such services;

(c) to incur expenses which are necessary or incidental to carry out any of the purposes of the Declaration;

(d) execute and enter into a Dealer Manager Agreement, Purchase Agreement or Underwriting Agreement in connection with the issuance of Preferred Securities; and

(e) execute all documents or instruments, perform all duties and powers, and do all things for and on behalf of the Trust in all matters necessary or incidental to the foregoing.

#### SECTION 2.7 FILING OF CERTIFICATE OF TRUST.

On or after the date of execution of this Declaration, the Trustees shall cause the filing of a Certificate of Trust for the Trust with the Secretary of State of the State of Delaware.

### ARTICLE III TRUSTEES

#### SECTION 3.1 TRUSTEES.

The number of Trustees shall initially be five (5), and thereafter the number of Trustees shall be such number as shall be fixed from time to time by a written instrument signed by the Sponsor. The Sponsor is entitled to appoint or remove without cause any Trustee at any time; PROVIDED, HOWEVER, that the number of Trustees shall in no event be less than five (5); and PROVIDED, FURTHER, that one Trustee, in the case of a natural person, shall be a person who is a resident of the State of Delaware or which, if not a natural person, has its principal place of business in the State of Delaware (the "Delaware Trustee"). Except as expressly set forth in this Declaration, any power of the Regular Trustees may be exercised by, or with the consent of, a majority of the Regular Trustees.

The initial Regular Trustees shall be A. R. Leach, J. R. Havert and John R. Zaylor, each having the same address as the Trust.

The initial Delaware Trustee shall be The Bank of New York (Delaware), White Clay Center, Route 273, Wilmington, Delaware 19711. The initial property trustee (the "Property Trustee") shall be The Bank of New York, 101 Barclay Street 21 West, New York, New York 10286.

#### SECTION 3.2 DELAWARE TRUSTEE AND PROPERTY TRUSTEE

Notwithstanding any other provision of this Declaration, neither the Delaware Trustee nor the Property Trustee shall be entitled to exercise any of the powers or shall have any of the responsibilities described in this Declaration of the Regular Trustees. Further, the Delaware Trustee shall be a Trustee for the sole and limited purpose of fulfilling the requirements of Section 3807 of the Delaware Business Trust Act.

#### SECTION 3.3 EXECUTION OF DOCUMENTS

(a) Any two Regular Trustees are authorized to execute on behalf of the Trust the Registration Statement referred to in Section 2.6(a) and any amendments thereto and any other

documents that the Regular Trustees have the power and authority to execute pursuant to Section 2.6; and

(b) a Regular Trustee may, by power of attorney consistent with applicable law, delegate to any other natural person over the age of 21 his or her power for the purposes of signing the Registration Statement referred to in Section 2.6(a) and any amendment thereto or making any other governmental filing.

ARTICLE IV  
LIMITATION OF LIABILITY OF  
SPONSOR, TRUSTEES OR OTHERS

SECTION 4.1 LIABILITY.

(a) Except as expressly set forth in this Declaration, the Sponsor shall not be:

- (i) personally liable for the return of any portion of the capital contributions (or any return thereon) of the holders of the Securities which shall be made solely from assets of the Trust; and
- (ii) the Sponsor shall not be required to pay to the Trust or to any holder of Securities any deficit upon dissolution or otherwise

(b) the Sponsor shall be liable for all debts and obligations of the Trust (other than with respect to the Securities) to the extent not satisfied out of the Trust's assets.

SECTION 4.2 EXCULPATION.

(a) No Indemnified Person shall be liable, responsible or accountable in damages or otherwise to the Trust or any Covered Person for any loss, damage or claim incurred by reason of any act or omission performed or omitted by such Indemnified Person in good faith on behalf of the Trust and in a manner such Indemnified Person reasonably believed to be within the scope of the authority conferred on such Indemnified Person by this Declaration or by law, except that an Indemnified Person shall be liable for any such loss, damage or claim incurred by reason of such Indemnified Person's gross negligence or willful misconduct with respect to such acts or omissions; and

(b) an Indemnified Person shall be fully protected in relying in good faith upon the records of the Trust and upon such information, opinions, reports or statements presented to the Trust by any Person as to matters the Indemnified Person reasonably believes are within such other Person's professional or expert competence and who has been selected with reasonable care by or on behalf of the Trust, including information, opinions, reports or statements as to the value and amount of the assets, liabilities, profits, losses, or any other facts pertinent to the existence and amount of assets from which distributions to holders of Securities might properly be paid.

SECTION 4.3 FIDUCIARY DUTY.

(a) To the extent that, at law or in equity, an Indemnified Person has duties (including fiduciary duties) and liabilities relating thereto to the Trust or to any other Covered Person, an Indemnified Person acting under this Declaration shall not be liable to the Trust or to any other Covered Person for its good faith reliance on the provisions of this Declaration. The provisions of this Declaration, to the extent that they restrict the duties and liabilities of an Indemnified Person otherwise existing at law or in equity, are agreed by the parties hereto to replace such other duties and liabilities of such Indemnified Person;

(b) unless otherwise expressly provided herein:

- (i) whenever a conflict of interest exists or arises between Covered Persons; or
- (ii) whenever this Declaration or any other agreement contemplated herein or therein provides that an Indemnified Person shall act in a manner that is, or provides terms that are, fair and reasonable to the Trust or any holder of Securities,

the Indemnified Person shall resolve such conflict of interest, take such action or provide such terms, considering in each case the relative interest of each party (including its own interest) to such conflict, agreement, transaction or situation and the benefits and burdens relating to such interests, any customary or accepted industry practices, and any applicable generally accepted accounting practices or principles. In the absence of bad faith by the Indemnified Person, the resolution, action or term so made, taken or provided by the Indemnified Person shall not constitute a breach of this Declaration or any other agreement contemplated herein or of any duty or obligation of the Indemnified Person at law or in equity or otherwise; and

(c) whenever in this Declaration an Indemnified Person is permitted or required to make a decision:

- (i) in its "discretion" or under a grant of similar authority, the Indemnified Person shall be entitled to consider such interests and factors as it desires, including its own interests, and shall have no duty or obligation to give any consideration to any interest of or factors affecting the Trust or any other Person; or
- (ii) in its "good faith" or under another express standard,

the Indemnified Person shall act under such express standard and shall not be subject to any other or different standard imposed by this Declaration or by applicable law.

#### SECTION 4.4 INDEMNIFICATION.

(a) To the fullest extent permitted by applicable law, the Sponsor shall indemnify and hold harmless each Indemnified Person from and against any loss, damage or claim incurred by such Indemnified Person by reason of any act or omission performed or omitted by such Indemnified Person in good faith on behalf of the Trust and in a manner such Indemnified Person reasonably believed to be within the scope of authority conferred on such Indemnified Person by this Declaration, except that no Indemnified Person shall be entitled to be indemnified in respect



of any loss, damage or claim incurred by such Indemnified Person by reason of gross negligence or willful misconduct with respect to such acts or omissions; and

(b) to the fullest extent permitted by applicable law, expenses (including legal fees) incurred by an Indemnified Person in defending any claim, demand, action, suit or proceeding shall, from time to time, be advanced by the Sponsor prior to the final disposition of such claim, demand, action, suit or proceeding upon receipt by the Sponsor of an undertaking by or on behalf of the Indemnified Person to repay such amount if it shall be determined that the Indemnified Person is not entitled to be indemnified as authorized in Section 4.4(a).

#### SECTION 4.5 OUTSIDE BUSINESSES.

Any Covered Person, the Delaware Trustee and the Property Trustee may engage in or possess an interest in other business ventures of any nature or description, independently or with others, similar or dissimilar to the business of the Trust, and the Trust and the holders of Securities shall have no rights by virtue of this Declaration in and to such independent ventures or the income or profits derived therefrom and the pursuit of any such venture, even if competitive with the business of the Trust, shall not be deemed wrongful or improper. No Covered Person, the Property Trustee or the Delaware Trustee shall be obligated to present any particular investment or other opportunity to the Trust even if such opportunity is of a character that, if presented to the Trust, could be taken by the Trust, and any Covered Person, the Property Trustee and the Delaware Trustee shall have the right to take for its own account (individually or as a partner or fiduciary) or to recommend to others any such particular investment or other opportunity.

### ARTICLE V AMENDMENTS, TERMINATION, MISCELLANEOUS

#### SECTION 5.1 AMENDMENTS.

At any time before the issue of any Securities, this Declaration may be amended by, and only by, a written instrument executed by all of the Regular Trustees and the Sponsor; provided no amendment may alter or affect the Delaware Trustee's or the Property Trustee's rights or duties hereunder without such trustee's prior written consent.

#### SECTION 5.2 TERMINATION OF TRUST.

- (a) The Trust shall terminate and be of no further force or effect:
- (i) upon the bankruptcy of the Sponsor;
  - (ii) upon the filing of a certificate of dissolution or its equivalent with respect to the Sponsor or the revocation of the Sponsor's charter or of the Trust's certificate of trust;
  - (iii) upon the entry of a decree of judicial dissolution of the Sponsor or the Trust; and

(iv) before the issue of any Securities, with the consent of all of the Regular Trustees and the Sponsor; and

(b) as soon as is practicable after the occurrence of an event referred to in Section 5.2(a), the Trustees shall file a certificate of cancellation with the Secretary of State of the State of Delaware.

#### SECTION 5.3 GOVERNING LAW.

This Declaration and the rights of the parties hereunder shall be governed by and interpreted in accordance with the laws of the State of Delaware and all rights and remedies shall be governed by such laws without regard to principles of conflict of laws.

#### SECTION 5.4 HEADINGS.

Headings contained in this Declaration are inserted for convenience of reference only and do not affect the interpretation of this Declaration or any provision hereof.

#### SECTION 5.5 PARTIAL ENFORCEABILITY.

If any provision of this Declaration, or the application of such provision to any Person or circumstance, shall be held invalid, the remainder of this Declaration, or the application of such provision to persons or circumstances other than those to which it is held invalid, shall not be affected thereby.

#### SECTION 5.6 COUNTERPARTS.

This Declaration may contain more than one counterpart of the signature page and this Declaration may be executed by the affixing of the signature of each of the Trustees to one of such counterpart signature pages. All of such counterpart signature pages shall be read as though one, and they shall have the same force and effect as though all of the signers had signed a single signature page.

IN WITNESS WHEREOF, the undersigned has caused these presents to be executed as of the day and year first above written.

OCCIDENTAL PETROLEUM CORPORATION, as Sponsor

The Bank of New York (Delaware), as Delaware Trustee

By: /s/ J. R. Havert

/s/ Walter N. Gitlin

-----  
Name: J. R. Havert  
Title: Vice President and Treasurer

-----  
Name: Walter N. Gitlin  
Title: Authorized Signatory

A. R. Leach, as Regular Trustee

/s/ A. R. Leach  
-----

J. R. Havert, as Regular Trustee

/s/ J. R. Havert  
-----

John R. Zaylor, as Regular Trustee

/s/ John R. Zaylor  
-----

The Bank of New York, as Property Trustee

/s/ Thomas C. Knight  
-----

Name: Thomas C. Knight  
Title: Assistant Vice President

-----  
AMENDED AND RESTATED DECLARATION  
OF TRUST

OXY CAPITAL TRUST [ ]

Dated as of [ ], 199[ ]

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AMENDED AND RESTATED  
DECLARATION OF TRUST  
OF  
OXY CAPITAL TRUST [ ]

[ ], 199[ ]

AMENDED AND RESTATED DECLARATION OF TRUST ("Declaration") dated and effective as of [ ], 199[ ] by the undersigned trustees (together with all other Persons from time to time duly appointed and serving as trustees in accordance with the provisions of this Declaration, the "Trustees"), Occidental Petroleum Corporation, a Delaware corporation, as trust sponsor (the "Sponsor"), and by the holders, from time to time, of the securities representing undivided beneficial interests in the assets of the Oxy Capital Trust[ ] (the "Trust") to be issued pursuant to this Declaration;

WHEREAS, certain of the Trustees and the Sponsor established a trust (the "Trust") under the Business Trust Act (as defined herein) pursuant to a Declaration of Trust, dated as of [ ], 199[ ] (the "Original Declaration") and a Certificate of Trust filed with the Secretary of State of Delaware on [ ], 199[ ], for the sole purpose of issuing and selling certain securities representing undivided beneficial interests in the assets of the Trust and investing the proceeds thereof in certain Subordinated Notes (as defined herein) of the Subordinated Notes Issuer (as defined herein);

WHEREAS, as of the date hereof, no interests in the Trust have been issued;

WHEREAS, all of the Trustees and the Sponsor, by this Declaration, amend and restate each and every term and provision of the Original Declaration; and

NOW, THEREFORE, it being the intention of the parties hereto to continue the Trust as a business trust under the Business Trust Act and that this Declaration constitute the governing instrument of such business trust, the Trustees declare that all assets contributed to the Trust will be held in trust for the benefit of the holders, from time to time, of the securities representing undivided beneficial interests in the assets of the Trust issued hereunder, subject to the provisions of this Declaration.

ARTICLE I

INTERPRETATION AND DEFINITIONS

Section 1.1 Definitions.

-----

Unless the context otherwise requires:

(a) Capitalized terms used in this Declaration but not defined in the preamble above have the respective meanings assigned to them in this Section 1.1;



(b) a term defined anywhere in this Declaration has the same meaning throughout;

(c) all references to "the Declaration" or "this Declaration" are to this Amended and Restated Declaration of Trust as modified, supplemented or amended from time to time;

(d) all references in this Declaration to Articles and Sections and Exhibits are to Articles and Sections of and Exhibits to this Declaration unless otherwise specified;

(e) a term defined in the Trust Indenture Act has the same meaning when used in this Declaration unless otherwise defined in this Declaration; and

(f) a reference to the singular includes the plural and vice versa.

"Affiliate" has the same meaning as given to that term in Rule 405 of the Securities Act as in effect on the date of this Declaration.

"Authorized Officer" of a Person means any Person that is authorized to bind such Person.

"Book Entry Interest" means a beneficial interest in a Global Certificate, ownership and transfers of which shall be maintained and made through book entries by a Clearing Agency as described in Section 9.4.

"Business Day" means any day other than a day on which banking institutions in New York, New York are authorized or required by law to close.

"Business Trust Act" means Chapter 38 of Title 12 of the Delaware Code, 12 Del. C. (S)(S)3801 et seq., as it may be amended from time to time, or any successor legislation.

"Certificate" means a Common Security Certificate or a Preferred Security Certificate.

"Clearing Agency" means an organization registered as a "Clearing Agency" pursuant to Section 17A of the Exchange Act that is acting as depository for the Preferred Securities and in whose name or in the name of a nominee of that organization, shall be registered a Global Certificate and which shall undertake to effect book entry transfers and pledges of the Preferred Securities.

"Clearing Agency Participant" means a broker, dealer, bank, other financial institution or other Person for whom from time to time the Clearing Agency effects book entry transfers and pledges of securities deposited with the Clearing Agency.

"Closing Date" means [ ], 199[ ].

"Code" means the Internal Revenue Code of 1986, as amended, or any successor legislation.

"Commission" means the Securities and Exchange Commission.

"Common Security" has the meaning specified in Section 7.1.

"Common Securities Guarantee" means the guarantee agreement to be dated as of [ ], 199[ ] of the Sponsor in respect of the Common Securities.

"Common Security Certificate" means a definitive certificate in fully registered form representing a Common Security substantially in the form of Annex II to Exhibit A.

"Covered Person" means: (a) any officer, director, shareholder, partner, member, representative, employee or agent of: (i) the Trust; or (ii) the Trust's Affiliates; and (b) any Holder of Securities.

"Definitive Preferred Security Certificates" has the meaning set forth in Section 9.4.

"Delaware Trustee" has the meaning set forth in Section 5.2.

"Direct Action" has the meaning set forth in Section 3.8(e).

"Distribution" means a distribution payable to Holders of Securities in accordance with Section 6.1.

"DTC" means The Depository Trust Company, the initial Clearing Agency.

"Event of Default" in respect of the Securities means an Event of Default (as defined in the Indenture) has occurred and is continuing in respect of the Subordinated Notes.

"Exchange Act" means the Securities Exchange Act of 1934, as amended from time to time or any successor legislation.

"Global Certificate" has the meaning set forth in Section 9.4.

"Holder" means a Person in whose name a Certificate representing a Security is registered, such Person being a beneficial owner within the meaning of the Business Trust Act.

"Indemnified Person" means

- (i) any Trustee;
- (ii) any Affiliate of any Trustee;
- (iii) any officers, directors, shareholders, members, partners, employees, representatives or agents of any Trustee; or
- (iv) any employee or agent of the Trust or its Affiliates.

"Indenture" means the Indenture dated as of [ ], 199[ ] among the Subordinated Notes Issuer and The Bank of New York, as trustee, as supplemented by an Officers' Certificate (as defined in the Indenture) dated as of [ ], 199[ ] pursuant to Section 301 of the Indenture.

"Investment Company" means an investment company as defined in the Investment Company Act.

"Investment Company Act" means the Investment Company Act of 1940, as amended from time to time or any successor legislation.

"Legal Action" has the meaning set forth in Section 3.6(h).

"Majority in liquidation amount of the Securities" means, except as provided in the terms of the Preferred Securities and by the Trust Indenture Act, Holder(s) of Securities voting together as a single class or, as the context may require, Holder(s) of Preferred Securities or Common Securities voting separately as a class, who vote Securities of a relevant class and the aggregate liquidation amount (including the stated amount that would be paid on redemption, liquidation or otherwise, plus accrued and unpaid Distributions to the date upon which the voting percentages are determined) of the Securities voted by such Holders represents more than 50% of the above stated aggregate liquidation amount of all Securities of such class.

"Officers' Certificate" means, with respect to any Person, a certificate signed by two Authorized Officers of such Person. Any Officers' Certificate delivered with respect to compliance with a condition or covenant provided for in this Declaration shall include:

(a) a statement that each officer signing the Certificate has read the covenant or condition and the definition relating thereto;

(b) a brief statement of the nature and scope of the examination or investigation undertaken by each officer in rendering the Certificate;

(c) a statement that each such officer has made such examination or investigation as, in such officer's opinion, is necessary to enable such officer to express an informed opinion as to whether or not such covenant or condition has been complied with; and

(d) a statement as to whether, in the opinion of each such officer, such condition or covenant has been complied with.

"Paying Agent" has the meaning specified in Section 3.8(h).

"Person" means a legal person, including any individual, corporation, estate, partnership, joint venture, association, joint stock company, limited liability company, trust, unincorporated association, or government or any agency or political subdivision thereof, or any other entity of whatever nature.

"Preferred Securities Guarantee" means the guarantee agreement to be dated as of [ ], 199[ ] of the Sponsor in respect of the Preferred Securities.

"Preferred Security" has the meaning specified in Section 7.1.

"Preferred Security Beneficial Owner" means, with respect to a Book Entry Interest, a Person who is the beneficial owner of such Book Entry Interest, as reflected on the books of the Clearing Agency, or on the books of a Person maintaining an account with such Clearing Agency (directly as a Clearing Agency Participant or as an indirect participant, in each case in accordance with the rules of such Clearing Agency).

"Preferred Security Certificate" means a certificate representing a Preferred Security substantially in the form of Annex I to Exhibit A.

"Property Trustee" means the Trustee meeting the eligibility requirements set forth in Section 5.3.

"Property Trustee Account" has the meaning set forth in Section 3.8(c).

"Purchase Agreement" means the Purchase Agreement or Underwriting Agreement for the offering and sale of Preferred Securities, substantially in the form of Exhibit C.

"Quorum" means a majority of the Regular Trustees or if there are only two Regular Trustees, both of them.

"Regular Trustee" means any Trustee other than the Property Trustee and the Delaware Trustee.

"Related Party" means, with respect to the Sponsor, any direct or indirect wholly owned subsidiary of the Sponsor or any other Person that owns, directly or indirectly, 100% of the outstanding voting securities of the Sponsor.

"Responsible Officer" means, with respect to the Property Trustee, the chairman of the board of directors, the president, any vice-president, any assistant vice-president, the secretary, any assistant secretary, the treasurer, any assistant treasurer, any trust officer or assistant trust officer or any other officer of the Property Trustee customarily performing functions similar to those performed by any of the above designated officers and also means, with respect to a particular corporate trust matter, any other officer to whom such matter is referred because of that officer's knowledge of and familiarity with the particular subject.

"Securities" means the Common Securities and the Preferred Securities.

"Securities Act" means the Securities Act of 1933, as amended, or any successor legislation.

"Special Event" has the meaning set forth in the terms of the Securities.

"Sponsor" means Occidental Petroleum Corporation, a Delaware corporation or any permitted successor thereof under the Indenture, in its capacity as sponsor of the Trust.

"Subordinated Notes" means the series of Subordinated Notes to be issued by the Subordinated Notes Issuer under the Indenture to be held by the Property Trustee pursuant to Section 3.6(c), a specimen certificate for such series of Subordinated Notes attached hereto as Exhibit B.

"Subordinated Notes Issuer" means Occidental Petroleum Corporation, a Delaware corporation.

"Subordinated Notes Trustee" means The Bank of New York, as trustee under the Indenture until a successor is appointed thereunder and thereafter means such successor trustee.

"Successor Property Trustee" means a successor Trustee possessing the qualifications to act as Property Trustee under Section 5.3(a).

"25% in liquidation amount of the Securities" means, except as provided in the terms of the Preferred Securities and by the Trust Indenture Act, Holder(s) of Securities voting together as a single class or, as the context may require, Holder(s) of Preferred Securities or Common Securities, voting separately as a class, who vote Securities of a relevant class and the liquidation amount (including the stated amount that would be paid on redemption, liquidation or otherwise, plus accrued and unpaid Distributions to the date upon which the voting percentages are determined) of the Securities voted by such Holders represents 25% of the above stated aggregate liquidation amount of all Securities of such class.

"Treasury Regulations" means the income tax regulations, including temporary and proposed regulations, promulgated under the Code by the United States Treasury, as such regulations may be amended from time to time (including corresponding provisions of succeeding regulations).

"Trust Indenture Act" means the Trust Indenture Act of 1939, as amended from time to time, or any successor legislation.

"Trustee" or "Trustees" means each Person who has signed this Declaration as a trustee, so long as such Person shall continue in office in accordance with the terms hereof, and all other Persons who may from time to time be duly appointed, qualified and serving as Trustees in accordance with the provisions hereof, and references herein to a Trustee or the Trustees shall refer to such Person or Persons solely in their capacity as trustees hereunder.

ARTICLE II

TRUST INDENTURE ACT

Section 2.1 Trust Indenture Act; Application.

-----  
(a) This Declaration is subject to the provisions of the Trust Indenture Act that are required to be part of this Declaration and shall, to the extent applicable, be governed by such provisions;

(b) the Property Trustee shall be the only Trustee which is a trustee for the purposes of the Trust Indenture Act;

(c) if and to the extent that any provision of this Declaration limits, qualifies or conflicts with the duties imposed by (S)(S) 310 to 317, inclusive, of the Trust Indenture Act, such imposed duties shall control; and

(d) the application of the Trust Indenture Act to this Declaration shall not affect the nature of the Securities as equity securities representing undivided beneficial interests in the assets of the Trust.

Section 2.2 Lists of Holders of Securities.  
-----

(a) Each of the Sponsor and the Regular Trustees, on behalf of the Trust, shall provide the Property Trustee (i) semiannually, not later than June 30 and December 31 in each year, a list, in such form as the Property Trustee may reasonably require, containing all the information in the possession or control of the Sponsor, or any of its Paying Agents other than the Property Trustee, as to the names and addresses of the Holders of Securities ("List of Holders") as of the preceding June 15 or December 15, as the case may be, and (ii) at such other times as the Property Trustee may request in writing, within 30 days after the receipt by the Trust of any such request, a list of similar form and content as of a date not more than 15 days prior to the time such list is furnished. The Property Trustee shall preserve, in as current a form as is reasonably practicable, all information contained in Lists of Holders given to it or which it receives in its capacity as Paying Agent (if acting in such capacity) provided that the Property Trustee may destroy any List of Holders previously given to it on receipt of a new List of Holders; and

(b) the Property Trustee shall comply with its obligations under (S)(S) 311(a), 311(b) and 312(b) of the Trust Indenture Act.

Section 2.3 Reports by the Property Trustee.  
-----

Within 60 days after May 15 of each year, commencing May [ ], the Property Trustee shall provide to the Holders of the Securities such reports as are required by (S) 313 of the Trust Indenture Act, if any, in the form and in the manner provided by (S) 313 of the Trust Indenture Act. The Property Trustee shall also comply with the requirements of (S) 313(d) of the Trust Indenture Act.

Section 2.4 Periodic Reports to the Property Trustee.  
-----

Each of the Sponsor and the Regular Trustees, on behalf of the Trust, shall provide to the Property Trustee such documents, reports and information as required by (S) 314 (if any) and the compliance certificate required by (S) 314 of the Trust Indenture Act in the form, in the manner and at the times required by (S) 314 of the Trust Indenture Act.

Section 2.5 Evidence of Compliance with Conditions Precedent.  
-----

Each of the Sponsor and the Regular Trustees, on behalf of the Trust, shall provide to the Property Trustee such evidence of compliance with any conditions precedent, if any, provided for in this Declaration which relate to any of the matters set forth in (S) 314(c) of the Trust Indenture Act. Any certificate or opinion required to be given by an officer pursuant to (S) 314(c)(1) may be given in the form of an Officers' Certificate.

Section 2.6 Events of Default; Waiver.

-----

(a) The Holders of a Majority in liquidation amount of Preferred Securities may, by vote, on behalf of the Holders of all of the Preferred Securities, waive any past Event of Default in respect of the Preferred Securities and its consequences, provided that, if the underlying Event of Default under the Indenture:

(i) is not waivable under the Indenture, the Event of Default under this Declaration shall also not be waivable; or

(ii) requires the consent or vote of greater than a majority in principal amount of the holders of Subordinated Notes affected thereby (a "Super Majority") to be waived under the Indenture, the Event of Default under this Declaration may only be waived by the vote of the Holders of at least the proportion in liquidation amount of the Preferred Securities which the relevant Super Majority represents of the aggregate principal amount of the Subordinated Notes outstanding.

The foregoing provisions of this Section 2.6(a) shall be in lieu of Section 316(a)(1)(B) of the Trust Indenture Act and such Section 316(a)(1)(B) of the Trust Indenture Act is hereby expressly excluded from this Declaration and the Securities, as permitted by the Trust Indenture Act. Upon such waiver, any such default shall cease to exist, and any Event of Default with respect to the Preferred Securities arising therefrom shall be deemed to have been cured, for every purpose of this Declaration, but no such waiver shall extend to any subsequent or other default or Event of Default with respect to the Preferred Securities or impair any right consequent thereon. Any waiver by the Holders of the Preferred Securities of an Event of Default with respect to the Preferred Securities shall also be deemed to constitute a waiver by the Holders of the Common Securities of any such Event of Default with respect to the Common Securities for all purposes of this Declaration without any further act, vote or consent of the Holders of the Common Securities.

(b) The Holders of a Majority in liquidation amount of the Common Securities may, by vote, on behalf of the Holders of all of the Common Securities, waive any past Event of Default with respect to the Common Securities and its consequences, provided that, if the underlying Event of Default under the Indenture:

(i) is not waivable under the Indenture, except where the Holders of the Common Securities are deemed to have waived such Event of Default under this Declaration as provided below in the proviso to this Section 2.6(b), the Event of Default under this Declaration shall also be not waivable; or

(ii) requires the consent or vote of a Super Majority to be waived, except where the Holders of the Common Securities are deemed to have waived such Event of Default under this Declaration as provided below in the proviso to this Section 2.6(b), the Event of Default under this Declaration may only be waived by the vote of the Holders of at least the proportion in liquidation amount of the Common Securities which the relevant Super Majority represents of the aggregate principal amount of the Subordinated Notes outstanding,

provided further, each Holder of Common Securities will be deemed to have waived any such Event of Default and all Events of Default with respect to the Common Securities and its consequences until all Events of Default with respect to the Preferred Securities have been cured, waived or otherwise eliminated and until such Events of Default have been so cured, waived or otherwise eliminated, the Property Trustee will be deemed to be acting solely on behalf of the Holders of the Preferred Securities and only the Holders of the Preferred Securities will have the right to direct the Property Trustee in accordance with the terms of the Securities; and provided, further, that any waiver by the Holders of the Preferred Securities of an Event of Default with respect to the Preferred Securities shall also be deemed to constitute a waiver by the Holders of the Common Securities of any such Event of Default with respect to the Common Securities for all purposes of this Declaration without any further act, vote or consent of the Holder of the Common Securities. The foregoing provisions of this Section 2.6(b) shall be in lieu of Section 316(a)(1)(A) and Section 316(a)(1)(B) of the Trust Indenture Act and such Section 316(a)(1)(A) and Section 316(a)(1)(B) of the Trust Indenture Act are hereby expressly excluded from this Declaration and the Securities, as permitted by the Trust Indenture Act. Subject to the foregoing provisions of this Section 2.6(b), upon such waiver, any such default shall cease to exist and any Event of Default with respect to the Common Securities arising therefrom shall be deemed to have been cured for every purpose of this Declaration, but no such waiver shall extend to any subsequent or other default or Event of Default with respect to the Common Securities or impair any right consequent thereon.

(c) A waiver of any Event of Default under the Indenture by the Property Trustee at the direction of the Holders of the Preferred Securities constitutes a waiver of the corresponding Event of Default with respect to the Preferred Securities under this Declaration. Any waiver of an Event of Default under the Indenture by the Property Trustee at the direction of the Holders of the Preferred Securities shall also be deemed to constitute a waiver by the Holders of the Common Securities of the corresponding Event of Default under this Declaration with respect to the Common Securities for all purposes of this Declaration without further act, vote or consent of the Holders of the Common Securities. The foregoing provisions of this Section 2.6(c) shall be in lieu of Section 316(a)(1)(B) of the Trust Indenture Act and such Section 316(a)(1)(B) of the Trust Indenture Act is hereby expressly excluded from this Declaration and the Securities, as permitted by the Trust Indenture Act.

Section 2.7 Event of Default; Notice.  
-----

(a) The Property Trustee shall, within 90 days after the occurrence of an Event of Default with respect to the Securities known to the Property Trustee, transmit by mail, first class postage prepaid, to the Holders of the Securities, notices of all such defaults unless such defaults have been cured before the giving of such notice (the term "defaults" for the purposes of this Section 2.7(a) being hereby defined to be an Event of Default as defined in the Indenture, not including any periods of grace provided for therein and irrespective of the giving of any notice provided therein); provided, that, except for a default in the payment of principal of (or premium, if any) or interest on any of the Subordinated Notes or in the payment of any sinking fund installment established for the Subordinated Notes, the Property Trustee shall be protected in withholding such notice if and so long as the board of directors, the executive committee, or a trust committee of directors and/or Responsible Officers, of the Property Trustee in good faith determine that the withholding of such notice is in the interests of the Holders of the Securities.



(b) The Property Trustee shall not be deemed to have knowledge of any default except:

(i) a default under Sections 501(1) and 501(2) of the Indenture; or

(ii) any default as to which the Property Trustee shall have received written notice or of which a Responsible Officer of the Property Trustee charged with the administration of the Declaration shall have actual knowledge.

### ARTICLE III

#### ORGANIZATION

##### Section 3.1 Name.

----

The Trust is named "Oxy Capital Trust [ ]", as such name may be modified from time to time by the Regular Trustees following written notice to the Holders of Securities. The Trust's activities may be conducted under the name of the Trust or any other name deemed advisable by the Regular Trustees.

##### Section 3.2 Office.

-----

The address of the principal office of the Trust is c/o Occidental Petroleum Corporation, 10889 Wilshire Boulevard, Los Angeles, CA 90024, Attention: General Counsel. On ten Business Days written notice to the Property Trustee and Holders of Securities, the Regular Trustees may designate another principal office.

##### Section 3.3 Purpose.

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The exclusive purposes and functions of the Trust are (a) to issue and sell Securities and use the proceeds from such sale to acquire the Subordinated Notes, and (b) except as otherwise limited herein, to engage in only those other activities necessary, or incidental thereto. The Trust shall not borrow money, issue debt or reinvest proceeds derived from investments, pledge any of its assets, or otherwise undertake (or permit to be undertaken) any activity that would cause the Trust not to be classified for United States federal income tax purposes as a grantor trust. It is the intention of all of the parties hereto that the Trust created hereunder constitutes a "grantor trust" for United States federal income tax purposes under the Code, and all parties hereto, and the Holders of the Preferred Securities by the purchase of the Preferred Securities, agree to treat the Trust with such characterization. The provisions of this Agreement shall be interpreted consistently with such characterization. Unless otherwise required by law, by the acceptance of this Trust, neither the Trustees, the Sponsor nor the Holders of the Preferred Securities or Common Securities will take any position which is contrary to the classification of the Trust as a grantor trust for United States federal income tax purposes.

Section 3.4 Authority.

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(a) Subject to the limitations provided in this Declaration and to the specific duties of the Property Trustee, the Regular Trustees shall have exclusive and complete authority to carry out the purposes of the Trust. An action taken by the Regular Trustees in accordance with their powers shall constitute the act of and serve to bind the Trust and an action taken by the Property Trustee on behalf of the Trust in accordance with its powers shall constitute the act of and serve to bind the Trust. In dealing with the Trustees acting on behalf of the Trust, no Person shall be required to inquire into the authority of the Trustees to bind the Trust. Persons dealing with the Trust are entitled to rely conclusively on the power and authority of the Trustees as set forth in this Declaration.

(b) Except as expressly set forth in this Declaration and except if a meeting of the Regular Trustees is called with respect to any matter over which the Regular Trustees have power to act, any power of the Regular Trustees may be exercised by, or with the consent of, any one such Regular Trustee.

(c) Unless otherwise determined by the Regular Trustees, and except as otherwise required by the Business Trust Act or applicable law, any Regular Trustee is authorized to execute on behalf of the Trust any documents which the Regular Trustees have the power and authority to cause the Trust to execute pursuant to Section 3.6, provided that the registration statement referred to in Section 3.6, including any amendments thereto, shall, subject to Section 3.4(d), be signed by at least two of the Regular Trustees.

(d) A Regular Trustee may, by power of attorney consistent with applicable law, delegate to any other natural person over the age of 21 his or her power for the purposes of executing any documents which the Regular Trustees have power and authority to cause the Trust to execute pursuant to Section 3.6.

Section 3.5 Title to Property of the Trust.

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Except as provided in Section 3.8 with respect to the Subordinated Notes and the Property Trustee Account or as otherwise provided in this Declaration, legal title to all assets of the Trust shall be vested in the Trust. A Holder shall not have legal title to any part of the assets of the Trust, but shall have an undivided beneficial interest in the assets of the Trust.

Section 3.6 Powers and Duties of the Regular Trustees.

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The Regular Trustees shall have the exclusive power, duty and authority to cause the Trust to engage in the following activities:

(a) to execute, issue and sell the Preferred Securities and the Common Securities in accordance with this Declaration; provided, however, that the Trust may issue no more than one series of Preferred Securities and no more than one series of Common Securities, and, provided further, there shall be no interests in the Trust other than the Securities, and the issuance of Securities shall be limited to a simultaneous issuance of both Preferred Securities and Common Securities on the Closing Date [and any other date Preferred Securities and Common Securities are sold pursuant to the overallotment option granted in the Purchase Agreement];

(b) in connection with the issue and sale of the Preferred Securities, at the direction of the Sponsor, to:

(i) execute and file with the Commission, at such time as determined by the Sponsor, a registration statement on Form S-3 prepared by the Sponsor in relation to the Preferred Securities, including any pre- and post-effective amendments thereto and any related registration statement to be filed pursuant to Rule 462(b) of the Securities Act prepared by the Sponsor;

(ii) execute and file any documents prepared by the Sponsor, or take any acts as determined by the Sponsor as necessary in order to qualify or register all or part of the Preferred Securities in any State in which the Sponsor has determined to qualify or register such Preferred Securities for sale;

(iii) execute and file an application prepared by the Sponsor, at such time as determined by the Sponsor, to the New York Stock Exchange or any other national stock exchange or the Nasdaq National Market for listing upon notice of issuance of any Preferred Securities;

(iv) execute and file with the Commission, at such time as determined by the Sponsor, a registration statement on Form 8-A prepared by the Sponsor relating to the registration of the Preferred Securities under Section 12(b) of the Exchange Act, including any amendments thereto prepared by the Sponsor;

(v) execute and enter into, and perform its obligations under, the Purchase Agreement providing for the sale of the Preferred Securities;

(vi) execute and deliver letters, documents, or instruments with DTC relating to the Preferred Securities;

(vii) execute and enter into the Purchase Agreement and other related agreements providing for the sale of the Securities;

(viii) execute and file any documents prepared by the Sponsor, or take any acts as determined by the Sponsor to be necessary in order to qualify or register all or part of the Preferred Securities in any State in which the Sponsor has determined to qualify or register such Preferred Securities for sale or resale, as the case may be; and

(ix) take all actions and perform such duties as may be required of the Regular Trustees to open checking, deposit or similar banking accounts as may be necessary in connection with the issuance and sale of the Securities.

(c) in connection with the issue and sale of Common Securities, to execute and enter into, and perform its obligations under, the Common Securities Subscription Agreement dated as of [ ], 199[ ] between the Trust and the Sponsor (the "Common Securities Subscription Agreement");

(d) to execute and enter into, and perform its obligations under, the Subordinated Notes Subscription Agreement dated as of [ ], 199[ ] between the Trust and the Sponsor (the "Subordinated Notes Subscription Agreement") to acquire the Subordinated Notes with the proceeds of the sale of the Preferred Securities and the Common Securities; provided, however, that the Regular Trustees shall cause legal title to the Subordinated Notes to be owned by and held of record in the name of the Property Trustee for the benefit of the Holders of the Preferred Securities and the Common Securities;

(e) to give the Sponsor and the Property Trustee prompt written notice of the occurrence of a Special Event;

(f) to establish a record date with respect to all actions to be taken hereunder that require a record date be established, including for the purposes of (S)316(c) of the Trust Indenture Act and with respect to Distributions, voting rights, redemptions and exchanges, and to issue relevant notices to the Holders of Preferred Securities and Common Securities as to such actions and applicable record dates;

(g) to take all actions and perform such duties as may be required of the Regular Trustees pursuant to the terms of the Securities and this Declaration;

(h) to bring or defend, pay, collect, compromise, arbitrate, resort to legal action, or otherwise adjust claims or demands of or against the Trust ("Legal Action"), unless pursuant to Section 3.8, the Property Trustee has the power to bring such Legal Action;

(i) to employ or otherwise engage employees and agents (who may be designated as officers with titles) and managers, contractors, advisors, and consultants and pay reasonable compensation for such services;

(j) to cause the Trust to comply with the Trust's obligations under the Trust Indenture Act;

(k) to give the certificate to the Property Trustee required by (S) 314(a)(4) of the Trust Indenture Act which certificate may be executed by any Regular Trustee;

(l) to incur expenses which are necessary or incidental to carrying out any of the purposes of the Trust;

(m) to act as, or appoint another Person to act as, registrar and transfer agent for the Securities;

(n) to give prompt written notice to the Holders of the Securities of any notice received from the Subordinated Notes Issuer of its election to defer payments of interest on the Subordinated Notes by extending the interest payment period under the Indenture;

(o) to take all action which may be necessary or appropriate for the preservation and the continuation of the Trust's valid existence, rights, franchises and privileges as a statutory business trust under the laws of the State of Delaware and of each other jurisdiction in which

such existence is necessary to protect the limited liability of the Holders of the Securities or to enable the Trust to effect the purposes for which the Trust was created;

(p) to take any action, not inconsistent with this Declaration or with applicable law, which the Regular Trustees determine in their discretion to be necessary or desirable in carrying out the activities of the Trust as set out in this Section 3.6 including, but not limited to:

(i) causing the Trust not to be deemed to be an Investment Company required to be registered under the Investment Company Act;

(ii) causing the Trust to be classified for United States federal income tax purposes as a grantor trust; and

(iii) cooperating with the Subordinated Notes Issuer to ensure that the Subordinated Notes will be treated as indebtedness of the Subordinated Notes Issuer for United States federal income tax purposes, provided that such action relating to this clause (iii) does not adversely affect the interests of Holders; and

(q) to take all action necessary to cause all applicable tax returns and tax information reports that are required to be filed with respect to the Trust to be duly prepared and filed by the Regular Trustees, on behalf of the Trust;

(r) to take all actions and perform such duties as may be required of the Regular Trustees pursuant to Section 11.2 herein;

(s) to the extent provided in this Declaration, to cause the winding up of the affairs of and liquidation of the Trust and the preparation, execution and filing of the Certificate of Cancellation with the Secretary of State of the State of Delaware; and

(t) to execute all documents or instruments, perform all duties and powers, and do all things for and on behalf of the Trust in all matters necessary or incidental to the foregoing.

The Regular Trustees shall exercise the powers set forth in this Section 3.6 in a manner which is consistent with the purposes, functions and characterization for United States federal income tax purposes of the Trust set out in Section 3.3 and the Regular Trustees shall not take any action which is inconsistent with or contrary to the purposes, functions and characterization for United States federal income tax purposes of the Trust set forth in Section 3.3.

Subject to this Section 3.6, the Regular Trustees shall have none of the powers or the authority of the Property Trustee set forth in Section 3.8.

The Trust initially appoints the Property Trustee as transfer agent and registrar for the Preferred Securities.

Section 3.7 Prohibition of Actions by the Trust and the Trustees.  
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(a) Notwithstanding any provision herein to the contrary, the Trust shall not, and the Trustees (including the Property Trustee) shall cause the Trust not to, engage in any activity

other than as required or authorized by this Declaration. In particular, the Trust shall not and the Trustees (including the Property Trustee) shall cause the Trust not to:

(i) invest any proceeds received by the Trust from holding the Subordinated Notes, but shall distribute all such proceeds to Holders of Securities pursuant to the terms of this Declaration and of the Securities;

(ii) acquire any assets other than the Subordinated Notes and any cash proceeds received with respect thereto;

(iii) possess Trust property for other than a Trust purpose;

(iv) make any loans or incur any indebtedness other than loans represented by the Subordinated Notes;

(v) possess any power or otherwise act in such a way as to vary the assets of the Trust or the terms of the Securities in any way whatsoever;

(vi) issue any securities or other evidences of beneficial ownership of, or beneficial interest in, the Trust other than the Securities; or

(vii) other than as expressly provided in this Declaration and Exhibit A hereto, (A) direct the time, method and place of exercising any trust or power conferred upon the Subordinated Notes Trustee with respect to the Subordinated Notes, (B) waive any past default that is waivable under Section 5.13 of the Indenture, (C) exercise any right to rescind or annul any declaration that the principal of all the Subordinated Notes shall be due and payable or (D) consent to any amendment, modification or termination of the Indenture or the Subordinated Notes, where such consent shall be required, unless the Trust shall have received an opinion of counsel to the effect that such modification will not cause more than an insubstantial risk that for United States federal income tax purposes the Trust will not be classified as a grantor trust.

Section 3.8 Powers and Duties of the Property Trustee.  
-----

(a) The legal title to the Subordinated Notes shall be owned by and held of record in the name of the Property Trustee for the benefit of the Trust and the Holders of the Securities. The right, title and interest of the Property Trustee to the Subordinated Notes shall vest automatically in each Person who may hereafter be appointed as Property Trustee as set forth in Section 5.6. Such vesting and cessation of title shall be effective whether or not conveyancing documents have been executed and delivered.

(b) The Property Trustee shall not transfer its right, title and interest in the Subordinated Notes to the Regular Trustees or to the Delaware Trustee (if the Property Trustee does not also act as Delaware Trustee).

(c) The Property Trustee shall:

(i) establish and maintain a segregated noninterest bearing bank account (the "Property Trustee Account") in the name of and under the exclusive control of the Property Trustee on behalf of the Trust and the Holders of the Securities and, upon the receipt of payments of funds made in respect of the Subordinated Notes held by the Property Trustee, deposit such funds into the Property Trustee Account and make payments to the Holders of the Preferred Securities and the Common Securities from the Property Trustee Account in accordance with Section 6.1. Funds in the Property Trustee Account shall be held uninvested until disbursed in accordance with this Declaration. The Property Trustee Account shall be an account which is maintained with a banking institution the rating on whose long term unsecured indebtedness is at least equal to the rating assigned to the Preferred Securities by a "nationally recognized statistical rating organization", as that term is defined for purposes of Rule 436(g)(2) under the Securities Act;

(ii) engage in such ministerial activities as shall be necessary or appropriate to effect the redemption of the Preferred Securities and the Common Securities to the extent the Subordinated Notes are redeemed or mature; and

(iii) upon notice of distribution issued by the Regular Trustees in accordance with the terms of the Preferred Securities and the Common Securities, engage in such ministerial activities as shall be necessary or appropriate to effect the distribution of the Subordinated Notes to Holders of Securities upon the Sponsor's election to dissolve the Trust in accordance with Section 8.1(a)(v).

(d) The Property Trustee shall take all actions and perform such duties as may be specifically required of the Property Trustee pursuant to the terms of the Securities and this Declaration.

(e) The Property Trustee shall have the power to take any Legal Action which arises out of or in connection with an Event of Default or the Property Trustee's duties and obligations under this Declaration, the Business Trust Act or the Trust Indenture Act. If the Property Trustee fails to enforce its rights under the Subordinated Notes after a Holder of Preferred Securities has made a written request, such Holder may institute a legal proceeding against the Subordinated Notes Issuer, to enforce the Property Trustee's rights under the Subordinated Notes, without first instituting any legal proceeding against the Property Trustee or any other person or entity. Notwithstanding the foregoing, if an Event of Default has occurred and is continuing and such event is attributable to the failure of the Subordinated Notes Issuer to pay interest, premium, if any, or principal on the Subordinated Notes on the date such interest, premium, if any, or principal is otherwise payable (or in the case of redemption, on the redemption date), then a Holder of Preferred Securities may directly institute a proceeding for enforcement of payment to such Holder of the principal of, premium, if any, or interest on, the Subordinated Notes having a principal amount equal to the aggregate liquidation amount of the Preferred Securities of such Holder (a "Direct Action"). Notwithstanding any payments made to such Holder of Preferred Securities by the Subordinated Notes Issuer in connection with a Direct Action, the Subordinated Notes Issuer shall remain obligated to pay the principal of, premium, if any, or interest on the

Subordinated Notes held by the Trust or the Property Trustee of the Trust, and the Subordinated Notes Issuer shall be subrogated to the rights of the Holder of such Preferred Securities with respect to payments on the Preferred Securities. Except as provided in the preceding sentences and in the Preferred Securities Guarantee, the Holders of Preferred Securities will not be able to exercise directly any other remedy available to the holders of the Subordinated Notes.

(f) No resignation of the Property Trustee shall be effective unless either:

(i) the Trust has been completely liquidated and the proceeds of the liquidation distributed to the Holders of Securities pursuant to the terms of the Securities; or

(ii) a Successor Property Trustee has been appointed and accepted that appointment in accordance with Section 5.6.

(g) The Property Trustee shall have the legal power to exercise all of the rights, powers and privileges of a holder of Subordinated Notes under the Indenture and, if an Event of Default occurs and is continuing, the Property Trustee shall, for the benefit of Holders of the Securities, enforce its rights as holder of the Subordinated Notes subject to the rights of the Holders pursuant to the terms of such Securities and this Declaration.

(h) The Property Trustee may authorize one or more Persons (each, a "Paying Agent") to pay Distributions, redemption payments or liquidation payments on behalf of the Trust with respect to the Preferred Securities and any such Paying Agent shall comply with (S) 317(b) of the Trust Indenture Act. Any Paying Agent may be removed by the Property Trustee at any time and a successor Paying Agent or additional Paying Agents may be appointed at any time by the Property Trustee.

(i) Subject to this Section 3.8, the Property Trustee shall have none of the powers or the authority of the Regular Trustees set forth in Section 3.6.

(j) The Property Trustee must exercise the powers set forth in this Section 3.8 in a manner which is consistent with the purposes, functions and characterization for United States federal income tax purposes of the Trust set forth in Section 3.3 and the Property Trustee shall not take any action which is inconsistent with or contrary to the purposes, functions and characterization for United States federal income tax purposes of the Trust set out in Section 3.3.

Section 3.9 Certain Duties and Responsibilities of the Property Trustee.  
-----

(a) The Property Trustee, before the occurrence of any Event of Default and after the curing or waiver of all Events of Default that may have occurred:

(i) shall undertake to perform only such duties as are specifically set forth in this Declaration and in the terms of the Securities, and no implied covenants, duties or obligations shall be read into this Declaration against the Property Trustee; and

(ii) in the absence of bad faith on the part of the Property Trustee, the Property Trustee may conclusively rely, as to the truth of the statements and the correctness of the



opinions expressed therein, upon any certificates or opinions furnished to the Property Trustee and conforming to the requirements of this Declaration; but in the case of any such certificates or opinions that by any provision hereof are specifically required to be furnished to the Property Trustee, the Property Trustee shall be under a duty to examine the same to determine whether or not they conform to the requirements of this Declaration.

In case an Event of Default has occurred (that has not been cured or waived pursuant to Section 2.6), the Property Trustee shall exercise such of the rights and powers vested in it by this Declaration, and use the same degree of care and skill in their exercise or use, as a prudent person would exercise or use under the circumstances in the conduct of his or her own affairs;

(b) no provision of this Declaration shall be construed to relieve the Property Trustee from liability for its own negligent action, its own negligent failure to act, or its own willful misconduct, except that:

(i) this Subsection shall not be construed to limit Subsection (a) of this Section;

(ii) the Property Trustee shall not be liable for any error of judgment made in good faith by a Responsible Officer of the Property Trustee, unless it shall be proved that the Property Trustee was negligent in ascertaining the pertinent facts;

(iii) the Property Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Holders of not less than a Majority in liquidation amount of the Securities at the time outstanding relating to the time, method and place of conducting any proceeding for any remedy available to the Property Trustee, or exercising any trust or power conferred upon the Property Trustee under this Declaration including, without limitation, with respect to the Securities; and

(iv) no provision of this Declaration shall require the Property Trustee to expend or risk its own funds or otherwise incur financial liability in the performance of any of its duties hereunder or in the exercise of any of its rights or powers, if it shall have reasonable ground for believing that the repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

(c) Whether or not therein expressly so provided, every provision of this Declaration relating to the conduct or affecting the liability of or affording protection to the Property Trustee shall be subject to the provisions of this Section.

Section 3.10 Certain Rights of the Property Trustee.  
-----

(a) Subject to the provisions of Section 3.9:

(i) the Property Trustee may rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, note or other paper or

document believed by it to be genuine and to have been signed or presented by the proper party or parties;

(ii) any act of the Sponsor or the Regular Trustees contemplated by this Declaration shall be sufficiently evidenced by an Officers' Certificate;

(iii) whenever in the administration of this Declaration, the Property Trustee shall deem it desirable that a matter be proved or established before taking, suffering or omitting any action hereunder, the Property Trustee (unless other evidence is herein specifically prescribed) may, in the absence of bad faith on its part, request and rely upon an Officers' Certificate which, upon receipt of such request, shall be promptly delivered by the Sponsor or the Regular Trustees;

(iv) the Property Trustee shall have no duty to see to any recording, filing or registration of any instrument (or any recording, refiling or registration thereof);

(v) the Property Trustee may consult with counsel of its selection and the written advice or opinion of such counsel with respect to legal matters shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by it hereunder in good faith and in reliance thereon. Such counsel may be counsel to the Sponsor or any of its Affiliates, and may include any of its employees;

(vi) the Property Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Declaration at the request or direction of any Holder, unless such Holder shall have offered to the Property Trustee reasonable security or indemnity against the costs, expenses and liabilities that might be incurred by it in complying with such request or direction;

(vii) the Property Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, note or other paper or document, but the Property Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit and, if the Property Trustee shall determine to make such further inquiry or investigation, it shall be entitled to examine the books, records and premises of the Trust, personally or by agent or attorney;

(viii) the Property Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys and the Property Trustee shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed with due care by it hereunder;

(ix) any action taken by the Property Trustee or its agents hereunder shall bind the Trust and the Holders of the Securities and the signature of the Property Trustee or its agents alone shall be sufficient and effective to perform any such action; and no third party shall be required to inquire as to the authority of the Property Trustee to so act, or as to its compliance with any of the terms and provisions of this Declaration, both of which shall be conclusively evidenced by the Property Trustee's or its agent's taking such action;

(x) whenever in the administration of this Declaration the Property Trustee shall deem it desirable to receive instructions with respect to enforcing any remedy or right or taking any other action hereunder, the Property Trustee (i) may request instructions from the Holders of the Securities which instructions may only be given by the Holders of the same proportion in liquidation amount of the Securities as would be entitled to direct the Property Trustee under the terms of the Securities in respect of such remedy, right or action, (ii) may refrain from enforcing such remedy or right or taking such other action until such instructions are received, and (iii) shall be protected in acting in accordance with such instructions;

(xi) the Property Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys and, provided that the Sponsor has consented in writing to the appointment of any agent or attorney, the Property Trustee shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed with due care by it hereunder; and

(xii) the Property Trustee shall not be liable for any action taken or omitted by it in good faith and believed by it to be authorized or within the discretion or rights or powers conferred upon it by this Declaration.

Section 3.11 Delaware Trustee.  
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Notwithstanding any other provision of this Declaration other than Section 5.1, the Delaware Trustee shall not be entitled to exercise any powers, nor shall the Delaware Trustee have any of the duties and responsibilities of the Trustees described in this Declaration, except as mandated by the Business Trust Act. Except as set forth in Section 5.1, the Delaware Trustee shall be a Trustee for the sole and limited purpose of fulfilling the requirements of (S) 3807(a) of the Business Trust Act.

Section 3.12 Execution of Documents.  
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Unless otherwise determined by the Regular Trustees and except as otherwise required by the Business Trust Act, each of the Regular Trustees are authorized to execute on behalf of the Trust any documents which the Regular Trustees have the power and authority to execute pursuant to Section 3.6.

Section 3.13 Not Responsible for Recitals or Issuance of Securities.  
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The recitals contained in this Declaration and the Securities shall be taken as the statements of the Sponsor, and the Trustees do not assume any responsibility for their correctness. The Trustees make no representations as to the value or condition of the property of the Trust or any part thereof. The Trustees make no representations as to the validity or sufficiency of this Declaration or the Securities.

Section 3.14 Duration of Trust.  
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The Trust, unless terminated pursuant to the provisions of Article VIII hereof, shall have existence for [ ] years from the Closing Date.

Section 3.15 Mergers.

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(a) The Trust may not consolidate, amalgamate, merge with or into, or be replaced by, or convey, transfer or lease its properties and assets substantially as an entirety to any corporation or other body, except as described in Section 3.15(b) and (c);

(b) the Trust may, with the consent of a majority of the Regular Trustees and without the consent of the Holders of the Securities, the Delaware Trustee or the Property Trustee, consolidate, amalgamate, merge with or into, or be replaced by a trust organized as such under the laws of any State; provided, that if the Trust is not the surviving entity:

(i) such successor entity (the "Successor Entity") either:

(A) expressly assumes all of the obligations of the Trust under the Securities; or

(B) substitutes for the Preferred Securities other securities having substantially the same terms as the Preferred Securities (the "Successor Securities") so long as the Successor Securities rank the same as the Preferred Securities rank with respect to Distributions and payments upon liquidation, redemption and maturity and substitutes for the Common Securities other securities having substantially the same terms as the Common Securities (the "Successor Common Securities"), so long as the Successor Common Securities rank the same as the Common Securities rank with respect to Distributions and payments upon liquidation, redemption, repayment and otherwise;

(ii) the Subordinated Notes Issuer expressly acknowledges a trustee of the Successor Entity which possesses the same powers and duties as the Property Trustee as the Holder of the Subordinated Notes;

(iii) such merger, consolidation, amalgamation or replacement does not cause the Preferred Securities (including any Successor Securities) to be downgraded by any nationally recognized statistical rating organization;

(iv) such merger, consolidation, amalgamation or replacement does not adversely affect the rights, preferences and privileges of the Holders of the Securities (including any Successor Securities and any Successor Common Securities) in any material respect (other than with respect to any dilution of the Holders' interest in the new entity);

(v) such Successor Entity has a purpose identical to that of the Trust;

(vi) prior to such merger, consolidation, amalgamation or replacement, the Sponsor has received an opinion of counsel to the Trust experienced in such matters to the effect that:

(A) such merger, consolidation, amalgamation or replacement does not adversely affect the rights, preferences and privileges of the Holders of the

Securities (including any Successor Securities and Successor Common Securities) in any material respect (other than with respect to any dilution of the Holders' interest in the new entity);

(B) following such merger, consolidation, amalgamation or replacement, neither the Trust nor the Successor Entity will be required to register as an Investment Company; and

(C) following such merger, consolidation, amalgamation or replacement, the Successor Entity will continue to be classified as a grantor trust for United States federal income tax purposes; and

(vii) the Sponsor guarantees the obligations of such Successor Entity under the Successor Securities and Successor Common Securities at least to the extent provided by the Preferred Securities Guarantee and the Common Securities Guarantee, respectively; and

(c) notwithstanding Section 3.15(b), the Trust shall not (except with the written consent of Holders of 100% of the outstanding Preferred Securities) consolidate, amalgamate, merge with or into, or be replaced by any other entity or permit any other entity to consolidate, amalgamate, merge with or into, or replace it if such consolidation, amalgamation, merger or replacement would cause the Trust or Successor Entity to be classified as other than a grantor trust for United States federal income tax purposes. Prior to such merger, consolidation, amalgamation, or replacement, the Sponsor shall have received an opinion of tax counsel to the Trust, experienced in such matters to the effect that following such merger, consolidation, amalgamation or replacement, the Trust will continue to be classified as grantor trust for United States federal income tax purposes.

#### ARTICLE IV

##### SPONSOR

###### Section 4.1 Sponsor's Purchase of Common Securities. -----

On the Closing Date [and any other date Preferred Securities and Common Securities are sold pursuant to the overallotment option granted in the Purchase Agreement] the Sponsor will purchase all the Common Securities issued by the Trust, at the same time as the Preferred Securities are sold, in an amount at least equal to 3% of the capital of the Trust.

###### Section 4.2 Responsibilities of the Sponsor. -----

In connection with the issue and sale of the Preferred Securities, the Sponsor shall have the exclusive right and responsibility to engage in the following activities:

(a) to prepare for filing by the Trust with the Commission, at such time as determined by the Sponsor, a registration statement on Form S-3 in relation to the Preferred Securities, including any amendments thereto;

(b) if necessary, to determine the States in which to take appropriate action to qualify or register for sale all or part of the Preferred Securities and to take any and all such acts, other than actions which must be taken by the Trust, and advise the Trust of actions it must take, and prepare for execution and filing any documents to be executed and filed by the Trust, as the Sponsor deems necessary or advisable in order to comply with the applicable laws of any such States;

(c) if necessary, to prepare for filing by the Trust an application, at such time as determined by the Sponsor, to the New York Stock Exchange or any other national stock exchange or the Nasdaq National Market for listing or quotation upon notice of issuance, of any Preferred Securities;

(d) if necessary, to prepare for filing by the Trust with the Commission, at such time as determined by the Sponsor, a registration statement on Form 8-A relating to the registration of the Preferred Securities under Section 12(b) of the Exchange Act, including any amendments thereto;

(e) if necessary, to negotiate the terms of the Purchase Agreement providing for the sale of the Preferred Securities;

(f) execute and enter into the Purchase Agreement, the Subordinated Notes Subscription Agreement and the Common Securities Subscription Agreement to be entered into with the Company; and

(g) prepare for execution and filing by the Trust of documents, or instruments to be delivered to DTC relating to the Preferred Securities.

Section 4.3 Right to Proceed.  
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The Sponsor acknowledges the rights of Holders to institute a Direct Action as set forth in Section 3.8(e) hereto.

ARTICLE V

TRUSTEES

Section 5.1 Number of Trustees.  
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(a) The number of Trustees shall initially be five (5).

(b) At any time before the issuance of any Securities, the Sponsor may, by written instrument, increase or decrease the number of Trustees.

(c) After the issuance of any Securities, the number of Trustees may be increased or decreased by vote of the Holders of a Majority in liquidation amount of the Common Securities voting as a class at a meeting of the Holders of the Common Securities; provided, however, that the number of Trustees shall in no event be less than three (3); provided further that (1) if required by the Business Trust Act, one Trustee (the "Delaware Trustee") shall be: (a) a natural person who is a resident of the State of Delaware; or (b) if not a natural person, an entity which has its principal place of business in the State of Delaware and otherwise meets the requirements of applicable law (provided that if the Property Trustee has its principal place of business in the State of Delaware and otherwise meets the requirements of applicable law, then the Property Trustee shall also be the Delaware Trustee and Section 3.11 shall have no application); (2) there shall be at least two Trustees who are employees or officers of, or are affiliated with the Sponsor; and (3) one Trustee shall be the Property Trustee for so long as this Declaration is required to qualify as an indenture under the Trust Indenture Act, and such Trustee may also serve as Delaware Trustee if it meets the applicable requirements.

Section 5.2 Delaware Trustee.  
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The initial Delaware Trustee under this Declaration shall be:

The Bank of New York (Delaware)  
White Clay Center, Route 273  
Newark, Delaware 19711  
Attn: [ ]

If the Delaware Trustee has or shall acquire any "conflicting interest" within the meaning of (S) 310(b) of the Trust Indenture Act, the Delaware Trustee and the Holder of the Common Securities (as if it were the obligor referred to in (S) 310(b) of the Trust Indenture Act) shall in all respects comply with the provisions of (S) 310(b) of the Trust Indenture Act.

Section 5.3 Property Trustee; Eligibility.  
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The initial Property Trustee shall be:

The Bank of New York  
101 Barclay Street, 21W  
New York, New York 10286  
Attn: [ ]

(a) There shall at all times be one Trustee which shall act as Property Trustee which shall:

(i) not be an Affiliate of the Sponsor; and

(ii) be a corporation organized and doing business under the laws of the United States of America or any State thereof or of the District of Columbia, or a corporation or Person permitted by the Commission to act as an institutional trustee under the Trust Indenture Act, authorized under such laws to exercise corporate trust powers,

having a combined capital and surplus of at least 50 million U.S. dollars (\$50,000,000), and subject to supervision or examination by Federal, State or District of Columbia authority. If such corporation publishes reports of condition at least annually, pursuant to law or to the requirements of the supervising or examining authority referred to above, then for the purposes of this Section 5.3(a)(ii), the combined capital and surplus of such corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

(b) If at any time the Property Trustee shall cease to be eligible to so act under Section 5.3(a), the Property Trustee shall immediately resign in the manner and with the effect set forth in Section 5.6(c).

(c) If the Property Trustee has or shall acquire any "conflicting interest" within the meaning of (S) 310(b) of the Trust Indenture Act, the Property Trustee and the Holder of the Common Securities (as if it were the obligor referred to in (S) 310(b) of the Trust Indenture Act) shall in all respects comply with the provisions of (S) 310(b) of the Trust Indenture Act.

(d) The Preferred Securities Guarantee, the Common Securities Guarantee and the Indenture shall be deemed to be specifically described in this Declaration and the Indenture for purposes of clause (i) of the first proviso contained in (S) 310(b) of the Trust Indenture Act.

#### Section 5.4 Qualifications of Regular Trustees and Delaware Trustee

Generally.

Each Regular Trustee and the Delaware Trustee (unless the Property Trustee also acts as Delaware Trustee) shall be either a natural person who is at least 21 years of age or a legal entity which shall act through one or more Authorized Officers.

#### Section 5.5 Regular Trustees.

The initial Regular Trustees under this Declaration shall be:

J. R. Havert  
A. R. Leach  
John R. Zaylor  
c/o Occidental Petroleum Corporation  
10889 Wilshire Boulevard  
Los Angeles, CA 90024

(a) Except as expressly set forth in this Declaration and except if a meeting of the Regular Trustees is called with respect to any matter over which the Regular Trustees have power to act, any power of the Regular Trustees may be exercised by, or with the consent of, any one such Regular Trustee.

(b) Unless otherwise determined by the Regular Trustees, and except as otherwise required by the Business Trust Act or applicable law, any Regular Trustee is authorized to execute on behalf of the Trust any documents which the Regular Trustees have the power and authority to cause the Trust to execute pursuant to Section 3.6.



Section 5.6 Appointment, Removal and Resignation of Trustees.  
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(a) Subject to Section 5.6(b), Trustees may be appointed or removed without cause at any time:

(i) until the issuance of any Securities, by written instrument executed by the Sponsor; and

(ii) after the issuance of any Securities by vote of the Holders of a Majority in liquidation amount of the Common Securities voting as a class at a meeting of the Holders of the Common Securities; and

(b)

(i) The Trustee that acts as Property Trustee shall not be removed in accordance with Section 5.6(a) until a Successor Property Trustee possessing the qualifications to act as Property Trustee under Section 5.3 (a "Successor Property Trustee") has been appointed and has accepted such appointment by written instrument executed by such Successor Property Trustee and delivered to the Regular Trustees and the Sponsor.

(ii) So long as a Delaware Trustee is required pursuant to Section 5.1, the Trustee that acts as Delaware Trustee shall not be removed in accordance with Section 5.6(a) until a successor Trustee possessing the qualifications to act as Delaware Trustee under Sections 5.2 and 5.4 (a "Successor Delaware Trustee") has been appointed and has accepted such appointment by written instrument executed by such Successor Delaware Trustee and delivered to the Regular Trustees and the Sponsor.

(c) A Trustee appointed to office shall hold office until his successor shall have been appointed or until such Trustee's death, bankruptcy, dissolution, termination, removal or resignation. Any Trustee may resign from office (without need for prior or subsequent accounting) by an instrument in writing signed by the Trustee and delivered to the Sponsor and the Trust, which resignation shall take effect upon such delivery or upon such later date as is specified therein; provided, however, that:

(i) no such resignation of the Trustee that acts as the Property Trustee shall be effective (A) until a Successor Property Trustee has been appointed and has accepted such appointment by instrument executed by such Successor Property Trustee and delivered to the Trust, the Sponsor and the resigning Property Trustee; or (B) until the assets of the Trust have been completely liquidated and the proceeds thereof distributed to the holders of the Securities; and

(ii) so long as a Delaware Trustee is required pursuant to Section 5.1, no such resignation of the Trustee that acts as the Delaware Trustee shall be effective until a Successor Delaware Trustee has been appointed and has accepted such appointment by instrument executed by such Successor Delaware Trustee and delivered to the Trust, the Sponsor and the resigning Delaware Trustee.

(d) The Holders of the Common Securities shall use their best efforts to promptly appoint a Successor Delaware Trustee (so long as a Delaware Trustee is required pursuant to Section 5.1) or Successor Property Trustee, as the case may be, if the Property Trustee or the Delaware Trustee delivers an instrument of resignation in accordance with this Section 5.6.

(e) If no Successor Property Trustee or Successor Delaware Trustee shall have been appointed and accepted appointment as provided in this Section 5.6 within 60 days after delivery of an instrument of resignation or removal, the Property Trustee or Delaware Trustee resigning or being removed may petition any court of competent jurisdiction for appointment of a Successor Property Trustee or Successor Delaware Trustee. Such court may thereupon after such notice, if any, as it may deem proper and prescribe, appoint a Successor Property Trustee or Successor Delaware Trustee, as the case may be.

Section 5.7 Vacancies Among Trustees.  
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If a Trustee ceases to hold office for any reason and the number of Trustees is not reduced pursuant to Section 5.1, or if the number of Trustees is increased pursuant to Section 5.1, a vacancy shall occur. A resolution certifying the existence of such vacancy by a majority of the Regular Trustees shall be conclusive evidence of the existence of such vacancy. The vacancy shall be filled with a Trustee appointed in accordance with Section 5.6.

Section 5.8 Effect of Vacancies.  
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The death, resignation, retirement, removal, bankruptcy, dissolution, liquidation, incompetence or incapacity to perform the duties of a Trustee, or any one of them, shall not operate to annul the Trust. Whenever a vacancy in the number of Regular Trustees shall occur, until such vacancy is filled by the appointment of a Regular Trustee in accordance with Section 5.6, the Regular Trustees in office, regardless of their number, shall have all the powers granted to the Regular Trustees and shall discharge all the duties imposed upon the Regular Trustees by this Declaration.

Section 5.9 Meetings.  
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Meetings of the Regular Trustees shall be held from time to time upon the call of any Regular Trustee. Regular meetings of the Regular Trustees may be held at a time and place fixed by resolution of the Regular Trustees. Notice of any in-person meetings of the Regular Trustees shall be hand delivered or otherwise delivered in writing (including by facsimile, with a hard copy by overnight courier) not less than 48 hours before such meeting. Notice of any telephonic meetings of the Regular Trustees or any committee thereof shall be hand delivered or otherwise delivered in writing (including by facsimile, with a hard copy by overnight courier) not less than 24 hours before a meeting. Notices shall contain a brief statement of the time, place and anticipated purposes of the meeting. The presence (whether in person or by telephone) of a Regular Trustee at a meeting shall constitute a waiver of notice of such meeting except where a Regular Trustee attends a meeting for the express purpose of objecting to the transaction of any activity on the ground that the meeting has not been lawfully called or convened. Unless provided otherwise in this Declaration, any action of the Regular Trustees may be taken at a meeting by vote of a majority of the Regular Trustees present (whether in person or by

telephone) and eligible to vote with respect to such matter, provided that a Quorum is present, or without a meeting by the unanimous written consent of the Regular Trustees.

Section 5.10 Delegation of Power.  
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(a) Any Regular Trustee may, by power of attorney consistent with applicable law, delegate to any other natural person over the age of 21 his or her power for the purpose of executing any documents contemplated in Section 3.6 including any registration statement or amendment thereto filed with the Commission or making any other governmental filing.

(b) The Regular Trustees shall have power to delegate from time to time to such of their number or to officers of the Trust the doing of such things and the execution of such instruments either in the name of the Trust or the names of the Regular Trustees or otherwise as the Regular Trustees may deem expedient, to the extent such delegation is not prohibited by applicable law or contrary to the provisions of the Trust, as set forth herein.

Section 5.11 Merger, Conversion, Consolidation or Succession to Business.  
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Any corporation into which the Property Trustee or the Delaware Trustee, as the case may be, may be merged or converted or with which either may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Property Trustee or the Delaware Trustee, as the case may be, shall be bound by this Declaration, or any corporation succeeding to all or substantially all the corporate trust business of the Property Trustee or the Delaware Trustee, as the case may be, shall be the successor of the Property Trustee or the Delaware Trustee, as the case may be, hereunder, provided such corporation shall be otherwise qualified and eligible under this Article, without the execution or filing of any paper or any further act on the part of any of the parties hereto.

ARTICLE VI

DISTRIBUTIONS

Section 6.1 Distributions.  
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Holder's shall receive Distributions in accordance with the applicable terms of the relevant Holder's Securities. Distributions shall be made on the Preferred Securities and the Common Securities in accordance with the preferences set forth in their respective terms. If and to the extent that the Subordinated Notes Issuer makes a payment of interest (including Additional Interest (as defined in the Indenture)), premium, if any, and principal on the Subordinated Notes held by the Property Trustee (the amount of any such payment being a "Payment Amount"), the Property Trustee shall and is directed, to the extent funds are available for that purpose, to make a distribution (a "Distribution") of the Payment Amount to Holders. In the event the Sponsor shall defer any payment of principal, premium, if any, or interest on the Subordinated Notes, the Trust shall, in like manner, defer payments of Distributions on the Securities, and Additional Distributions shall accrue on such Securities for so long as the payment of principal, premium, if any, or interest on the Subordinated Notes is deferred.

ARTICLE VII

ISSUANCE OF SECURITIES

Section 7.1 General Provisions Regarding Securities.  
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(a) The Regular Trustees shall, on behalf of the Trust, issue one class of preferred securities representing undivided beneficial interests in the assets of the Trust having such terms as are set forth in Exhibit A and incorporated herein by reference (the "Preferred Securities"), and one class of common securities representing undivided beneficial interests in the assets of the Trust having such terms as are set forth in Exhibit A and incorporated herein by reference (the "Common Securities"). The Trust shall have no securities or other interests in the assets of the Trust other than the Preferred Securities and the Common Securities;

(b) the Certificates shall be signed on behalf of the Trust by the Regular Trustees (or if there are more than two Regular Trustees by any two of the Regular Trustees). Such signatures may be the manual or facsimile signatures of the present or any future Regular Trustee. Typographical and other minor errors or defects in any such reproduction of any such signature shall not affect the validity of any Certificate. In case any Regular Trustee of the Trust who shall have signed any of the Certificates shall cease to be such Regular Trustee before the Certificate so signed shall be delivered by the Trust, such Certificate nevertheless may be delivered as though the person who signed such Certificate had not ceased to be such Regular Trustee; and any Certificate may be signed on behalf of the Trust by such persons who shall at the actual date of execution of such Security, be the Regular Trustees of the Trust, although at the date of the execution and delivery of the Declaration any such person was not such a Regular Trustee. Certificates shall be printed, lithographed or engraved or may be produced in any other manner as is reasonably acceptable to the Regular Trustees, as evidenced by their execution thereof, and may have such letters, numbers or other marks of identification or designation and such legends or endorsements as the Regular Trustees may deem appropriate, or as may be required to comply with any law or with any rule or regulation of any stock exchange on which Securities may be listed, or to conform to usage. A Preferred Security shall not be valid until authenticated by the manual signature of an authorized signatory of the Property Trustee. The signature shall be conclusive evidence that the Preferred Security has been authenticated under this Declaration. Upon a written order of the Trust signed by one Regular Trustee, the Property Trustee shall authenticate the Preferred Securities for original issue. The Property Trustee may appoint an authenticating agent acceptable to the Trust to authenticate Preferred Securities. An authenticating agent may authenticate Preferred Securities whenever the Property Trustee may do so. Each reference in this Declaration to authentication by the Property Trustee includes authentication by such agent. An authenticating agent has the same rights as the Property Trustee to deal with the Trust or an Affiliate;

(c) the consideration received by the Trust for the issuance of the Securities shall constitute a contribution to the capital of the Trust and shall not constitute a loan to the Trust;

(d) upon issuance of the Securities as provided in this Declaration, the Securities so issued shall be deemed to be validly issued, fully paid and nonassessable; and

(e) every Person, by virtue of having become a Holder or a Preferred Security Beneficial Owner in accordance with the terms of this Declaration, shall be deemed to have expressly assented and agreed to the terms of, and shall be bound by this Declaration.

ARTICLE VIII

DISSOLUTION AND TERMINATION OF TRUST

Section 8.1 Dissolution and Termination of Trust.  
-----

(a) The Trust shall dissolve and its affairs shall be wound up, upon the earliest to occur of the following:

(i) upon the bankruptcy of the Sponsor or the Holder of the Common Securities;

(ii) upon the filing of a certificate of dissolution or its equivalent with respect to the Sponsor, the filing of a certificate of cancellation with respect to the Trust upon the consent (other than in connection with a dissolution of the Trust pursuant to clause (v) of this Section 8.1(a)) of the Holders of at least a Majority in liquidation amount of the Securities, voting together as a single class, to file such certificate of cancellation, or the revocation of the charter of the Sponsor or the Holder of the Common Securities and the expiration of 90 days after the date of revocation without a reinstatement thereof;

(iii) upon the entry of a decree of judicial dissolution of the Sponsor or the Trust or the Holder of the Common Securities;

(iv) when all of the Securities shall have been called for redemption and the amounts necessary for redemption thereof shall have been paid to the Holders in accordance with the terms of the Securities;

(v) upon the election by the Sponsor, effective upon notice to the Trust, the Property Trustee and the Delaware Trustee, to dissolve the Trust in accordance with the terms of the Securities and all of the Subordinated Notes held by the Property Trustee shall have been distributed to the Holders of Securities in exchange for all of the Securities;

(vi) upon the written direction to the Property Trustee from the Sponsor at any time to terminate the Trust and, after satisfaction of liabilities to creditors of the Trust as provided by applicable law, the distribution of Subordinated Notes to Holders in exchange for the Securities, subject to the Regular Trustees' receipt of an opinion of counsel experienced in such matters to the effect that the Holders of the Preferred Securities will not recognize any income, gain or loss for United States federal income tax purposes as a result of the dissolution of the Trust and such distribution to Holders; or

(vii) before the issuance of any Securities, with the consent of all of the Regular Trustees and the Sponsor; and

(b) As soon as is practicable after the occurrence of an event referred to in Section 8.1(a) or dissolution pursuant to Section 3.14 and upon the completion of the winding up of the Trust, one of the Regular Trustees (each Regular Trustee being hereby authorized to take such action) shall file a certificate of cancellation with the Secretary of State of the State of Delaware terminating the Trust.

(c) The provisions of Section 3.9 and Article X shall survive the termination of the Trust.

#### ARTICLE IX

##### TRANSFER OF INTERESTS

###### Section 9.1 Transfer of Securities. -----

(a) Securities may only be transferred, in whole or in part, in accordance with the terms and conditions set forth in this Declaration and in the terms of the Securities. Any transfer or purported transfer of any Security not made in accordance with this Declaration shall be null and void;

(b) subject to this Article IX, Preferred Securities shall be freely transferable; and

(c) subject to this Article IX, the Sponsor and any Related Party may only transfer Common Securities to the Sponsor or a Related Party of the Sponsor; provided that, any such transfer shall not violate the Securities Act and is subject to the condition precedent that the transferor obtain the written opinion of counsel experienced in such matters that such transfer would not cause more than an insubstantial risk that:

(i) the Trust would not be classified for United States federal income tax purposes as a grantor trust; and

(ii) the Trust would be an Investment Company required to register under the Investment Company Act or the transferee would become an Investment Company required to register under the Investment Company Act.

(d) Each Common Security that bears or is required to bear the legend set forth in this Section 9.1(d) shall be subject to the restrictions on transfer provided in the legend set forth in this Section 9.1(d), unless such restrictions on transfer shall be waived by the written consent of the Regular Trustees, and the Holder of each such Common Security, by such security holder's acceptance thereof, agrees to be bound by such restrictions on transfer. As used in this Section 9.1(d) and in Section 9.1(c), the term "transfer" encompasses any sale, pledge, transfer or other disposition of any such Common Security.

Any certificate evidencing a Common Security shall bear a legend in substantially the following form, unless otherwise agreed by the Regular Trustees (with written notice thereof to the Property Trustee):

THE SECURITY EVIDENCED HEREBY HAS NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD UNLESS SUCH OFFER AND SALE ARE REGISTERED UNDER OR ARE EXEMPT FROM REGISTRATION UNDER THE SECURITIES ACT. THE TRANSFER OF THE SECURITY EVIDENCED HEREBY IS ALSO SUBJECT TO THE RESTRICTIONS SET FORTH IN THE DECLARATION REFERRED TO BELOW.

Section 9.2 Transfer of Certificates.  
-----

(a) The Regular Trustees shall provide for the registration of Certificates and of transfers of Certificates, which will be effected without charge but only upon payment (with such indemnity as the Regular Trustees may require) in respect of any tax or other government charges which may be imposed in relation to it. Upon surrender for registration of transfer of any Certificate, the Regular Trustees shall cause one or more new Certificates to be issued in the name of the designated transferee or transferees. Every Certificate surrendered for registration of transfer shall be accompanied by a written instrument of transfer in form satisfactory to the Regular Trustees duly executed by the Holder or such Holder's attorney duly authorized in writing. Each Certificate surrendered for registration of transfer shall be canceled by the Regular Trustees. A transferee of a Certificate shall be entitled to the rights and subject to the obligations of a Holder hereunder upon the receipt by such transferee of a Certificate. By acceptance of a Certificate, each transferee shall be deemed to have agreed to be bound by this Declaration and the documents incorporated by reference herein.

(b) Notwithstanding any other provisions of this Declaration, a Global Certificate may not be transferred as a whole, except by the Clearing Agency to a nominee of the Clearing Agency or by the Clearing Agency or any such nominee to a successor Clearing Agency or a nominee of such successor Clearing Agency.

Section 9.3 Deemed Security Holders.  
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The Trustees may treat the Person in whose name any Certificate shall be registered on the books and records of the Trust as the sole holder of such Certificate and of the Securities represented by such Certificate for purposes of receiving Distributions and for all other purposes whatsoever and, accordingly, shall not be bound to recognize any equitable or other claim to or interest in such Certificate or in the Securities represented by such Certificate on the part of any Person, whether or not the Trustees shall have actual or other notice thereof.

Section 9.4 Book Entry Interests.  
-----

(a) So long as Preferred Securities are eligible for book entry settlement with the Clearing Agency or unless otherwise required by law, all Preferred Securities that are so eligible may be represented by one or more, fully registered, global Preferred Security Certificates (each a "Global Certificate"), to be delivered to DTC, the initial Clearing Agency, by, or on behalf of, the Trust. Such Global Certificates shall initially be registered on the books and records of the

Trust in the name of Cede & Co., the nominee of DTC, and no Preferred Security Beneficial Owner will receive a definitive Preferred Security Certificate representing such Preferred Security Beneficial Owner's interests in such Global Certificates, except as provided in Section 9.7. The transfer and exchange of beneficial interests in any such Security in global form shall be effected through the Clearing Agency in accordance with this Declaration and the procedures of the Clearing Agency therefor.

(b) Except as provided below, Beneficial Owners of a Preferred Security in global form shall not be entitled to have certificates registered in their names, will not receive or be entitled to receive physical delivery of certificates in definitive form and will not be considered Holder of such Preferred Security in global form.

(c) Any Global Certificate may be endorsed with or have incorporated in the text thereof such legends or recitals or changes not inconsistent with the provisions of this Declaration as may be required by the Clearing Agency, by any national securities exchange or by the National Association of Securities Dealers, Inc. as may be required to comply with any applicable law or any regulation thereunder or with the rules and regulations of any securities exchange or interdealer quotation system upon which the Preferred Securities may be listed or traded or to conform with any usage with respect thereto, or to indicate any special limitations or restrictions to which any particular Preferred Securities are subject.

(d) Unless and until definitive, fully registered Preferred Security Certificates (the "Definitive Preferred Security Certificates") have been issued to the Preferred Security Beneficial Owners pursuant to Section 9.7:

(i) the provisions of this Section 9.4 shall be in full force and effect with respect to such Preferred Securities;

(ii) the Trust and the Trustees shall be entitled to deal with the Clearing Agency for all purposes of this Declaration (including the payment of Distributions on the Global Certificates and receiving approvals, votes or consents hereunder) as the Holder of the Preferred Securities and the sole holder of the Global Certificates and shall have no obligation to the Preferred Security Beneficial Owners;

(iii) to the extent that the provisions of this Section 9.4 conflict with any other provisions of this Declaration, the provisions of this Section 9.4 shall control; and

(iv) the rights of the Beneficial Owners of Preferred Securities in global form shall be exercised only through the Clearing Agency and shall be limited to those established by law and agreements between such Preferred Security Beneficial Owners and the Clearing Agency and/or the Clearing Agency Participants. The Clearing Agency will make book entry transfers among the Clearing Agency Participants and receive and transmit payments of Distributions on the Global Certificates to such Clearing Agency Participants. DTC will make book entry transfers among the Clearing Agency Participants, provided, that solely for the purposes of determining whether the Holders of the requisite amount of Preferred Securities have voted on any matter provided for in this Declaration, so long as Definitive Preferred Security Certificates have not been issued,



the Trustees may conclusively rely on, and shall be protected in relying on, any written instrument (including a proxy) delivered to the Trustees by the Clearing Agency setting forth the Preferred Securities Beneficial Owners' votes or assigning the right to vote on any matter to any other Persons either in whole or in part.

Notwithstanding any other provisions of this Declaration (other than the provisions set forth in this Section 9.4(c)), a Preferred Security in global form may not be transferred as a whole except by the Clearing Agency to a nominee of the Clearing Agency or by a nominee of the Clearing Agency to the Clearing Agency or another nominee to a successor Clearing Agency or a nominee of such successor Clearing Agency.

Section 9.5 Notices to Clearing Agency.  
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Whenever a notice or other communication to the Preferred Security Holders is required under this Declaration, unless and until Definitive Preferred Security Certificates shall have been issued to the Preferred Security Beneficial Owners pursuant to Section 9.7, the Trustees shall give all such notices and communications, specified herein to be given to the Preferred Security Holders, to the Clearing Agency, and shall have no notice obligations to the Preferred Security Beneficial Owners.

Section 9.6 Appointment of Successor Clearing Agency.  
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If any Clearing Agency notifies the Trust that it is unwilling or unable to continue its services as securities depository with respect to the Preferred Securities if such Clearing Agency ceases to perform such services, or if at any time such Clearing Agency ceases to be a clearing agency registered as such under the Exchange Act when such Clearing Agency is required to be so registered to act as such depository, then the Regular Trustees may, in their sole discretion, appoint a successor Clearing Agency with respect to such Preferred Securities.

Section 9.7 Definitive Preferred Security Certificates Under Certain  
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Circumstances.  
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If:

(a) a Clearing Agency notifies the Trust that it is unwilling or unable to continue its services as securities depository with respect to the Preferred Securities, if such Clearing Agency ceases to perform such services, or if at any time such Clearing Agency ceases to be a clearing agency registered as such under the Exchange Act when such Clearing Agency is required to be so registered to act as such depository, and a successor Clearing Agency is not appointed within 90 days after such discontinuance pursuant to Section 9.6; or

(b) the Regular Trustees (with the consent of the Sponsor) in their sole discretion determine that the Preferred Securities in global form shall be exchanged for certificated Preferred Securities;

then:

(i) Definitive Preferred Security Certificates shall be prepared by the Regular Trustees on behalf of the Trust with respect to such Preferred Securities; and

(ii) upon surrender of the Global Certificates by the Clearing Agency, accompanied by registration instructions, the Regular Trustees shall cause Definitive Preferred Security Certificates to be delivered to Preferred Security Beneficial Owners of such Preferred Securities in accordance with the instructions of the Clearing Agency. Neither the Trustees nor the Trust shall be liable for any delay in delivery of such instructions and each of them may conclusively rely on and shall be protected in relying on, said instructions of the Clearing Agency. The Definitive Preferred Security Certificates shall be printed, lithographed or engraved or may be produced in any other manner as is reasonably acceptable to the Regular Trustees, as evidenced by their execution thereof, and may have such letters, numbers or other marks of identification or designation and such legends or endorsements as the Regular Trustees may deem appropriate, or as may be required to comply with any law or with any rule or regulation made pursuant thereto or with any rule or regulation of any stock exchange on which Preferred Securities may be listed, or to conform to usage.

At such time as all interests in a Preferred Security in global form have been redeemed, exchanged, repurchased or canceled, such Preferred Security in global form shall be, upon receipt thereof, canceled by the Trust in accordance with standing procedures and instructions of the Clearing Agency.

Section 9.8 Mutilated, Destroyed, Lost or Stolen Certificates.  
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If:

(a) any mutilated Certificates should be surrendered to the Regular Trustees, or if the Regular Trustees shall receive evidence to their satisfaction of the destruction, loss or theft of any Certificate; and

(b) there shall be delivered to the Property Trustee or the Regular Trustees such security or indemnity as may be required by them to keep each of them harmless,

then:

in the absence of notice that such Certificate shall have been acquired by a bona fide purchaser, the Property Trustee or any Regular Trustee on behalf of the Trust shall execute and deliver, in exchange for or in lieu of any such mutilated, destroyed, lost or stolen Certificate, a new Certificate of like denomination. In connection with the issuance of any new Certificate under this Section 9.8, the Property Trustee or the Regular Trustees may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection therewith. Any duplicate Certificate issued pursuant to this Section shall constitute conclusive evidence of an ownership interest in the relevant Securities, as if originally issued, whether or not the lost, stolen or destroyed Certificate shall be found at any time.

ARTICLE X

LIMITATION OF LIABILITY OF  
HOLDERS OF SECURITIES, TRUSTEES OR OTHERS

Section 10.1 Liability.

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(a) Except as expressly set forth in this Declaration, the Preferred Securities Guarantee, the Common Securities Guarantee and the terms of the Securities, the Sponsor shall not be:

(i) personally liable for the return of any portion of the capital contributions (or any return thereon) of the Holders of the Securities, which shall be made solely from assets of the Trust; or

(ii) be required to pay to the Trust or to any Holder of Securities any deficit upon dissolution of the Trust or otherwise.

(b) Pursuant to (S) 3803(a) of the Business Trust Act, the Holders of the Securities, in their capacity as such, shall be entitled to the same limitation of personal liability extended to stockholders of private corporations for profit organized under the General Corporation Law of the State of Delaware.

Section 10.2 Exculpation.

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(a) No Indemnified Person shall be liable, responsible or accountable in damages or otherwise to the Trust or any Covered Person for any loss, damage or claim incurred by reason of any act or omission performed or omitted by such Indemnified Person in good faith on behalf of the Trust and in a manner such Indemnified Person reasonably believed to be within the scope of the authority conferred on such Indemnified Person by this Declaration or by law, except that an Indemnified Person shall be liable for any such loss, damage or claim incurred by reason of such Indemnified Person's negligence (or, in the case of the Property Trustee, except as otherwise set forth in Section 3.9) or willful misconduct with respect to such acts or omissions.

(b) An Indemnified Person shall be fully protected in relying in good faith upon the records of the Trust and upon such information, opinions, reports or statements presented to the Trust by any Person as to matters the Indemnified Person reasonably believes are within such other Person's professional or expert competence and who has been selected with reasonable care by or on behalf of the Trust, including information, opinions, reports or statements as to the value and amount of the assets, liabilities, profits, losses, or any other facts pertinent to the existence and amount of assets from which Distributions to Holders of Securities might properly be paid.

Section 10.3 Fiduciary Duty.

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(a) To the extent that, at law or in equity, an Indemnified Person has duties (including fiduciary duties) and liabilities relating thereto to the Trust or to any other Covered Person, an Indemnified Person acting under this Declaration shall not be liable to the Trust or to any other

Covered Person for its good faith reliance on the provisions of this Declaration. The provisions of this Declaration, to the extent that they restrict the duties and liabilities of an Indemnified Person otherwise existing at law or in equity (other than duties imposed on the Property Trustee under the Trust Indenture Act), are agreed by the parties hereto to replace such other duties and liabilities of such Indemnified Person;

(b) Unless otherwise expressly provided herein:

(i) whenever a conflict of interest exists or arises between an Indemnified Person and any Covered Persons; or

(ii) whenever this Declaration or any other agreement contemplated herein or therein provide that an Indemnified Person shall act in a manner that is, or provides terms that are, fair and reasonable to the Trust or any Holder of Securities,

the Indemnified Person shall resolve such conflict of interest, take such action or provide such terms, considering in each case the relative interest of each party (including its own interest) to such conflict, agreement, transaction or situation and the benefits and burdens relating to such interests, any customary or accepted industry practices, and any applicable generally accepted accounting practices or principles. In the absence of bad faith by the Indemnified Person, the resolution, action or term so made, taken or provided by the Indemnified Person shall not constitute a breach of this Declaration or any other agreement contemplated herein or of any duty or obligation of the Indemnified Person at law or in equity or otherwise.

(c) Whenever in this Declaration an Indemnified Person is permitted or required to make a decision:

(i) in its "discretion" or under a grant of similar authority, the Indemnified Person shall be entitled to consider such interests and factors as it desires, including its own interests, and shall have no duty or obligation to give any consideration to any interest of or factors affecting the Trust or any other Person; or

(ii) in its "good faith" or under another express standard, the Indemnified Person shall act under such express standard and shall not be subject to any other or different standard imposed by this Declaration or by applicable law.

#### Section 10.4 Indemnification.

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(a) The Sponsor shall indemnify each Indemnified Person for, and hold each Indemnified Person harmless against, any loss, liability or expense incurred by such Indemnified Person by reason of any act or omission performed or omitted by such Indemnified Person without negligence or bad faith (or, in case of the Property Trustee, except as set forth in Section 3.9) on behalf of the Trust and in a manner such Indemnified Person reasonably believed to be within the scope of authority conferred on such Indemnified Person by this Declaration;

(b) reasonable expenses (including reasonable legal fees and expenses) incurred by an Indemnified Person in defending any claim, demand, action, suit or proceeding shall, from time to time, be advanced by the Sponsor prior to the final disposition of such claim, demand, action,

suit or proceeding upon receipt by the Sponsor of an undertaking by or on behalf of the Indemnified Person to repay such amount if it shall be determined that the Indemnified Person is not entitled to be indemnified as authorized in Section 10.4(a); and

(c) the provisions of this Section 10.4 shall survive the termination of this Declaration or resignation or removal of any Trustee.

Section 10.5 Outside Businesses.  
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Any Covered Person, the Sponsor, the Delaware Trustee (subject to Section 5.02(c)) and the Property Trustee (subject to Section 5.03(c)) may engage in or possess an interest in other business ventures of any nature or description, independently or with others, similar or dissimilar to the business of the Trust, and the Trust and the Holders of Securities shall have no rights by virtue of this Declaration in and to such independent ventures or the income or profits derived therefrom, and the pursuit of any such venture, even if competitive with the business of the Trust, shall not be deemed wrongful or improper. No Covered Person, the Sponsor, the Delaware Trustee, or the Property Trustee shall be obligated to present any particular investment or other opportunity to the Trust even if such opportunity is of a character that, if presented to the Trust, could be taken by the Trust, and any Covered Person, the Sponsor, the Delaware Trustee and the Property Trustee shall have the right to take for its own account (individually or as a partner or fiduciary) or to recommend to others any such particular investment or other opportunity. Any Covered Person, the Delaware Trustee and the Property Trustee may engage or be interested in any financial or other transaction with the Sponsor or any Affiliate of the Sponsor, or may act as depositary for, trustee or agent for, or act on any committee or body of holders of, securities or other obligations of the Sponsor or its Affiliates.

ARTICLE XI

ACCOUNTING

Section 11.1 Fiscal Year.  
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The fiscal year ("Fiscal Year") of the Trust shall be the calendar year, or such other year as is required by the Code.

Section 11.2 Certain Accounting Matters.  
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(a) At all times during the existence of the Trust, the Trust shall keep, or cause to be kept, full books of account, records and supporting documents, which shall reflect in reasonable detail, each transaction of the Trust. The books of account shall be maintained on the accrual method of accounting, in accordance with generally accepted accounting principles, consistently applied. The Trust shall use the accrual method of accounting for United States federal income tax purposes. The books of account and the records of the Trust shall be examined by and reported upon, as of the end of each Fiscal Year, by a firm of independent certified public accountants selected by the Regular Trustees of the Trust.

(b) The Trust shall cause to be duly prepared and delivered to each of the Holders of Securities, any annual United States federal income tax information statement, required by the Code, containing such information with regard to the Securities held by each Holder as is required by the Code and the Treasury Regulations. Notwithstanding any right under the Code to deliver any such statement at a later date, the Trust shall endeavor to deliver all such statements within 30 days after the end of each Fiscal Year of the Trust.

(c) The Trust shall cause to be duly prepared and filed with the appropriate taxing authority, an annual United States federal income tax return, on a Form 1041 or such other form required by United States federal income tax law, and any other annual income tax returns required to be filed by the Trust on behalf of the Trust with any state or local taxing authority.

Section 11.3 Banking.  
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The Trust shall maintain one or more bank accounts in the name and for the sole benefit of the Trust; provided, however, that all payments of funds in respect of the Subordinated Notes held by the Property Trustee shall be made directly to the Property Trustee Account and no other funds of the Trust shall be deposited in the Property Trustee Account. The sole signatories for such accounts shall be designated by the Regular Trustees; provided, however, that the Property Trustee shall designate the signatories for the Property Trustee Account.

Section 11.4 Withholding.  
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The Trust shall comply with all withholding requirements under United States federal, state and local law. The Trust shall request, and the Holders shall provide to the Trust, such forms or certificates as are necessary to establish an exemption from withholding with respect to each Holder, and any representations and forms as shall reasonably be requested by the Trust to assist it in determining the extent of, and in fulfilling, its withholding obligations. The Trust shall file required forms with applicable jurisdictions and, unless an exemption from withholding is properly established by a Holder, shall remit amounts withheld with respect to the Holder to applicable jurisdictions. To the extent that the Trust is required to withhold and pay over any amounts to any authority with respect to distributions or allocations to any Holder, the amount withheld shall be deemed to be a distribution in the amount of the withholding to the Holder. In the event of any claimed over-withholding, Holders shall be limited to an action against the applicable jurisdiction. If the amount required to be withheld was not withheld from actual Distributions made, the Trust may reduce subsequent Distributions by the amount of such withholding.

ARTICLE XII

AMENDMENTS AND MEETINGS

Section 12.1 Amendments.  
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(a) Except as otherwise provided in this Declaration or by any applicable terms of the Securities, this Declaration may be amended by, and only by, a written instrument approved and

executed by the Regular Trustees (or, if there are more than two Regular Trustees a majority of the Regular Trustees); provided, however, that:

(i) no amendment shall be made, and any such purported amendment shall be void and ineffective, to the extent the result thereof would be to:

(A) cause the Trust to fail to be classified for the purposes of United States federal income taxation as a grantor trust;

(B) affect the powers or the rights of the Property Trustee or the Delaware Trustee without the written consent of the Property Trustee or the Delaware Trustee, as the case may be; or

(C) cause the Trust to be deemed to be an Investment Company which is required to be registered under the Investment Company Act;

(ii) at such time after the Trust has issued any Securities which remain outstanding, any amendment which would adversely affect the rights, privileges or preferences of any Holder of Securities may be effected only with such additional requirements as may be set forth in the terms of such Securities;

(iii) Section 9.1 (c) and this Section 12.1 shall not be amended without the consent of all of the Holders of the Securities;

(iv) Article IV shall not be amended without the consent of the Holders of a Majority in liquidation amount of the Common Securities; and

(v) the rights of the holders of the Common Securities under Article V to increase or decrease the number of, and appoint and remove Trustees shall not be amended without the consent of the Holders of a Majority in liquidation amount of the Common Securities.

(b) Notwithstanding Section 12.1(a)(ii), this Declaration may be amended from time to time by the Holders of a Majority in liquidation amount of the Common Securities and the Property Trustee, without the consent of the Holders of the Preferred Securities, to:

(i) cure any ambiguity;

(ii) correct or supplement any provision in this Declaration that may be defective or inconsistent with any other provision or to make any other provisions with respect to matters or questions arising under this Declaration, which shall not be inconsistent with the other provisions of this Declaration;

(iii) add to the covenants, restrictions or obligations of the Sponsor;

(iv) to ensure the Trust's classification as a grantor trust for United States federal income tax purposes; and

(v) to modify, eliminate or add to any provisions of this Declaration to such extent as shall be necessary to ensure that the Trust will not be required to register as an investment company under the Investment Company Act.

(c) Subject to Section 12.1(a), this Declaration may be amended by the Holders of a Majority in liquidation amount of the Common Securities and the Property Trustee if:

(i) The Holders of a Majority in liquidation amount of the Preferred Securities consent to such amendment; and

(ii) the Regular Trustees have received an opinion of counsel experienced in such matters to the effect that such amendment or the exercise of any power granted to the Regular Trustees in accordance with such amendment will not affect the Trust's status as a grantor trust for United States federal income tax purposes or the Trust's exemption from status as an "investment company" under the Investment Company Act.

(d) Any amendments of this Declaration shall become effective when notice thereof is given to Holders of Securities.

Section 12.2 Meetings of the Holders of Securities; Action by Written

Consent.  
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(a) Meetings of the Holders of any class of Securities may be called at any time by the Regular Trustees (or as provided in the terms of the Securities) to consider and act on any matter on which Holders of such class of Securities are entitled to act under the terms of this Declaration, the terms of the Securities or the rules of any stock exchange on which the Preferred Securities are listed or admitted for trading. The Regular Trustees shall call a meeting of the Holders of such class of Holders, if directed to do so by the Holders of at least 25% in liquidation amount of the Securities of such class. Such direction shall be given by delivering to the Regular Trustees one or more calls in a writing stating that the signing Holders of Securities wish to call a meeting and indicating the general or specific purpose for which the meeting is to be called. Any Holders of Securities calling a meeting shall specify in writing the Security Certificates held by the Holders of Securities exercising the right to call a meeting and only those Securities specified shall be counted for purposes of determining whether the required percentage set forth in the second sentence of this paragraph has been met.

(b) Except to the extent otherwise provided in the terms of the Securities, the following provisions shall apply to meetings of Holders of Securities:

(i) notice of any such meeting shall be given to all the Holders of Securities having a right to vote thereat at least 7 days and not more than 60 days before the date of such meeting. Whenever a vote, consent or approval of the Holders of Securities is permitted or required under this Declaration, the terms of the Securities or the rules of any stock exchange on which the Preferred Securities are listed or admitted for trading, such vote, consent or approval may be given at a meeting of the Holders of Securities. Any action that may be taken at a meeting of the Holders of Securities may be taken without a meeting if a consent in writing setting forth the action so taken is signed by the Holders of Securities owning not less than the minimum amount of Securities in liquidation amount that would be necessary to authorize or take such action at a meeting



at which all Holders of Securities having a right to vote thereon were present and voting. Prompt notice of the taking of action without a meeting shall be given to the Holders of Securities entitled to vote who have not consented in writing. The Regular Trustees may specify that any written ballot submitted to the Security Holder for the purpose of taking any action without a meeting shall be returned to the Trust within the time specified by the Regular Trustees;

(ii) each Holder of a Security may authorize any Person to act for it by proxy on all matters in which a Holder of Securities is entitled to participate, including waiving notice of any meeting, or voting or participating at a meeting. No proxy shall be valid after the expiration of 11 months from the date thereof unless otherwise provided in the proxy. Every proxy shall be revocable at the pleasure of the Holder of Securities executing it. Except as otherwise provided herein, all matters relating to the giving, voting or validity of proxies shall be governed by the General Corporation Law of the State of Delaware relating to proxies, and judicial interpretations thereunder, as if the Trust were a Delaware corporation and the Holders of the Securities were stockholders of a Delaware corporation;

(iii) each meeting of the Holders of the Securities shall be conducted by the Regular Trustees or by such other Person that the Regular Trustees may designate; and

(iv) except to the extent that the Business Trust Act, the Trust Indenture Act, this Declaration, the terms of the Securities or the listing rules of any stock exchange on which the Preferred Securities are then listed or trading otherwise provides, the Regular Trustees, in their sole discretion, shall establish all other provisions relating to meetings of Holders of Securities, including notice of the time, place or purpose of any meeting at which any matter is to be voted on by any Holders of Securities, waiver of any such notice, action by consent without a meeting, the establishment of a record date, quorum requirements, voting in person or by proxy or any other matter with respect to the exercise of any such right to vote.

ARTICLE XIII

REPRESENTATIONS OF THE PROPERTY TRUSTEE AND  
THE DELAWARE TRUSTEE

Section 13.1 Representations and Warranties of the Property Trustee.  
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The Trustee which acts as initial Property Trustee represents and warrants to the Trust and to the Sponsor at the date of this Declaration, and each Successor Property Trustee represents and warrants to the Trust and the Sponsor at the time of the Successor Property Trustee's acceptance of its appointment as Property Trustee that:

(a) The Property Trustee is a New York banking corporation with power and authority to execute and deliver, and to carry out and perform its obligations under the terms of, the Declaration;

(b) the Declaration has been duly executed and delivered by the Property Trustee, and it constitutes a legal, valid and binding obligation of the Property Trustee, enforceable against it in accordance with its terms, subject to applicable bankruptcy, reorganization, moratorium, insolvency, and other similar laws affecting creditors' rights generally and to general principles of equity and the discretion of the court (regardless of whether the enforcement of such remedies is considered in a proceeding in equity or at law);

(c) the execution, delivery and performance of the Declaration by the Property Trustee does not conflict with or constitute a breach of the Articles of Organization or Bylaws of the Property Trustee; and

(d) no consent, approval or authorization of, or registration with or notice to, any New York State or Federal banking authority is required for the execution, delivery or performance by the Property Trustee, of the Declaration.

Section 13.2 Representations and Warranties of the Delaware Trustee.  
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The Trustee which acts as initial Delaware Trustee represents and warrants to the Trust and to the Sponsor at the date of this Declaration, and each Successor Delaware Trustee represents and warrants to the Trust and the Sponsor at the time of the Successor Delaware Trustee's acceptance of its appointment as Delaware Trustee that:

(a) The Delaware Trustee is a Delaware banking corporation, duly organized, validly existing and in good standing;

(b) the Delaware Trustee satisfies the requirements set forth in Section 5.1(c) and has the power and authority to execute and deliver, and to carry out and perform its obligations under the terms of, this Declaration and, if it is not a natural person, is duly organized, validly existing and in good standing under the laws of its jurisdiction of incorporation or organization;

(c) this Declaration under Delaware law constitutes a legal, valid and binding obligation of the Delaware Trustee, enforceable against it in accordance with its terms, subject to applicable bankruptcy, reorganization, moratorium, insolvency and other similar laws affecting creditors' rights generally and to general principles of equity and the discretion of the court (regardless of whether the enforcement of such remedies is considered in a proceeding in equity or at law);

(d) no consent, approval or authorization of, or registration with or notice to, any Delaware State or Federal banking authority is required for the execution, delivery or performance by the Delaware Trustee of this Declaration; and

(e) the execution, delivery and performance of this Declaration by the Delaware Trustee do not conflict with, or constitute a violation or breach of, the charter or bylaws of the Delaware Trustee.

ARTICLE XIV

MISCELLANEOUS

Section 14.1 Notices.

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All notices provided for in this Declaration shall be in writing, duly signed by the party giving such notice, and shall be delivered, telecopied or mailed by first class mail, postage prepaid, as follows:

(a) if given to the Trust, in care of the Regular Trustees at the Trust's mailing address set forth below (or such other address as the Trust may give notice of to the Holders of the Securities):

Oxy Capital Trust [ ]  
c/o Occidental Petroleum Corporation  
10889 Wilshire Boulevard  
Los Angeles, California 90024  
Attention: General Counsel

(b) if given to the Delaware Trustee, at the mailing address set forth below (or such other address as the Delaware Trustee may give notice of to the Holders of the Securities):

The Bank of New York (Delaware)  
White Clay Center, Route 273  
Newark, Delaware 19711  
Attn: Corporate Trust Administration

(c) if given to the Property Trustee, at the mailing address set forth below (or such other address as the Property Trustee may give notice of to the Holders of the Securities):

The Bank of New York  
101 Barclay Street, 21W  
New York, New York 10286  
Attention: Corporate Trust Administration

(d) if given to the Holder of the Common Securities, at the mailing address of the Sponsor set forth below (or such other address as the Holder of the Common Securities may give notice to the Trust):

Occidental Petroleum Corporation  
10889 Wilshire Boulevard  
Los Angeles, California 90024  
Attention: Vice President, Treasurer

(e) if given to any other Holder, at the address set forth on the books and records of the Trust.

(f) All such notices shall be deemed to have been given when received in person, telecopied with receipt confirmed, or mailed except that if a notice or other document is refused delivery or cannot be delivered because of a changed address of which no notice was given, such notice or other document shall be deemed to have been delivered on the date of such refusal or inability to deliver.

Section 14.2 Governing Law.  
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This Declaration and the rights of the parties hereunder shall be governed by and interpreted in accordance with the laws of the State of Delaware and all rights and remedies shall be governed by such laws without regard to principles of conflict of laws.

Section 14.3 Intention of the Parties.  
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It is the intention of the parties hereto that the Trust be classified for United States federal income tax purposes as a grantor trust. The provisions of this Declaration shall be interpreted to further this intention of the parties.

Section 14.4 Headings.  
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Headings contained in this Declaration are inserted for convenience of reference only and do not affect the interpretation of this Declaration or any provision hereof.

Section 14.5 Successors and Assigns.  
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Whenever in this Declaration any of the parties hereto is named or referred to, the successors and assigns of such party shall be deemed to be included, and all covenants and agreements in this Declaration by the Sponsor and the Trustees shall bind and inure to the benefit of their respective successors and assigns, whether so expressed.

Section 14.6 Partial Enforceability.  
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If any provision of this Declaration, or the application of such provision to any Person or circumstance, shall be held invalid, the remainder of this Declaration, or the application of such provision to persons or circumstances other than those to which it is held invalid, shall not be affected thereby.

Section 14.7 Counterparts.  
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This Declaration may contain more than one counterpart of the signature page and this Declaration may be executed by the affixing of the signature of each of the Trustees to one of such counterpart signature pages. All of such counterpart signature pages shall be read as though one, and they shall have the same force and effect as though all of the signers had signed a single signature page.

IN WITNESS WHEREOF, the undersigned has caused these presents to be executed as of the day and year first above written.

A. R. Leach,  
as Regular Trustee

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J. R. Havert,  
as Regular Trustee

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John R. Zaylor,  
as Regular Trustee

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The Bank of New York (Delaware),  
as Delaware Trustee

By:

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Name:

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Title:

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The Bank of New York,  
as Property Trustee

By:

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Name:

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Title:

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Occidental Petroleum Corporation,  
as Sponsor

By:

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Name:

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Title:

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EXHIBIT A

TERMS OF  
[ ]% PREFERRED SECURITIES  
[ ]% COMMON SECURITIES

Pursuant to Section 7.1 of the Amended and Restated Declaration of Trust, dated as of [ ], 199[ ] (as amended from time to time, the "Declaration"), the designation, rights, privileges, restrictions, preferences and other terms and provisions of the Preferred Securities and the Common Securities are set out below (each capitalized term used but not defined herein has the meaning set forth in the Declaration or, if not defined in such Declaration, as defined in the Prospectus referred to below):

1. Designation and Number.  
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a. Preferred Securities. [ ] Preferred Securities [(including [ ]  
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Preferred Securities of the Trust sold pursuant to an overallotment option provided for in the Purchase Agreement)] of the Trust with an aggregate liquidation amount with respect to the assets of the Trust of [ ] Dollars (\$[ ]) [(plus up to an additional [ ] Preferred Securities with an aggregate liquidation amount with the respect to the assets of the Trust of [ ] Dollars (\$[ ]) solely to cover overallotments, as provided for in the Purchase Agreement (the "Additional Preferred Securities")),] and a liquidation amount with respect to the assets of the Trust of \$[ ] per Preferred Security, are hereby designated for the purposes of identification only as "[ ]% Preferred Securities" (the "Preferred Securities"). The Preferred Security Certificates evidencing the Preferred Securities shall be substantially in the form attached hereto as Annex I, with such changes and additions thereto or deletions therefrom as may be required by ordinary usage, custom or practice or to conform to the rules of any stock exchange on which the Preferred Securities are listed.

b. Common Securities. [ ] Common Securities [(including [ ] Common  
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Securities of the Trust sold pursuant to an overallotment option)] of the Trust with an aggregate liquidation amount with respect to the assets of the Trust of [ ] Dollars (\$[ ]) [(plus up to an additional [ ] Common Securities of the Trust with an aggregate liquidation amount with respect to the assets of the Trust of [ ] Dollars (\$[ ])] to meet capital requirements of the Trust in the event of an issuance of Additional Preferred Securities), and a liquidation amount with respect to the assets of the Trust of \$[ ] per Common Security, are hereby designated for the purposes of identification only as "[ ]% Common Securities" (the "Common Securities"). The Common Security Certificates evidencing the Common Securities shall be substantially in the form attached hereto as Annex II, with such changes and additions thereto or deletions therefrom as may be required by ordinary usage, custom or practice.

2. Distributions.  
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a. Periodic Distributions payable on each Security will be fixed at a rate per annum of [ ]% (the "Coupon Rate") of the stated liquidation amount of \$[ ] per Security, such rate being the rate of interest payable on the Subordinated Notes to be held by the Property Trustee. Distributions in arrears for more than one quarterly period will bear interest thereon at the

Coupon Rate (to the extent permitted by applicable law). The term "Distributions" as used in these terms includes such periodic cash distributions and any such interest payable unless otherwise stated. A Distribution is payable only to the extent that payments are made in respect of the Subordinated Notes held by the Property Trustee. The amount of Distributions payable for any period will be computed for any full quarterly Distribution period on the basis of a 360-day year of twelve 30-day months, and for any period shorter than a full quarterly Distribution period for which Distributions are computed, Distributions will be computed on the basis of the actual number of days elapsed in such a 30-day month.

b. Distributions on the Securities will be cumulative, will accrue from [ ], 199[ ] and will be payable quarterly in arrears, on [ ], [ ], [ ] and [ ] of each year, commencing on [ ], 199[ ], except as otherwise described below. The Debenture Issuer has the right under the Indenture to defer payments of interest by extending the interest payment period from time to time on the Subordinated Notes for a period not exceeding 20 consecutive quarterly periods (each, an "Extension Period") but not beyond the maturity date of the Subordinated Notes and, as a consequence of such extension, Distributions will also be deferred. Despite such deferral, quarterly Distributions will continue to accrue with interest thereon (to the extent permitted by applicable law) at the Coupon Rate during any such Extension Period. Prior to the termination of any such Extension Period, the Subordinated Notes Issuer may further extend such Extension Period; provided that such Extension Period together with all such previous and further extensions thereof may not exceed 20 consecutive quarterly periods. Payments of accrued Distributions will be payable to Holders as they appear on the books and records of the Trust on the first record date after the end of the Extension Period. Upon the termination of any Extension Period and the payment of all amounts then due, the Subordinated Notes Issuer may commence a new Extension Period, subject to the above requirements.

c. Distributions on the Securities will be payable to the Holders thereof as they appear on the books and records of the Trust on the relevant record dates. While the Preferred Securities remain in book entry only form, the relevant record dates shall be one Business Day prior to the relevant payment dates which payment dates correspond to the interest payment dates on the Subordinated Notes. Subject to any applicable laws and regulations and the provisions of the Declaration, each such payment in respect of the Preferred Securities will be made as described under the heading ["Certain Terms of the Preferred Securities-- Book Entry-Only Issuance -- The Depository Trust Company"] in the Prospectus Supplement dated [ ], 199[ ] (the "Prospectus Supplement") to the Prospectus dated [ ], 199[ ] (as so supplemented the "Prospectus") of the Trust included in the Registration Statement on Form S-3 of the Sponsor, the Trust and certain other business trusts. The relevant record dates for the Common Securities shall be the same record dates as for the Preferred Securities. If the Preferred Securities shall not continue to remain in book entry only form, the relevant record dates for the Preferred Securities, shall conform to the rules of any securities exchange on which the securities are listed and, if none, shall be selected by the Regular Trustees, which dates shall be at least one Business Day but less than 60 Business Days before the relevant payment dates, which payment dates correspond to the interest payment dates on the Subordinated Notes. Distributions payable on any Securities that are not punctually paid on any Distribution payment date, as a result of the Subordinated Notes Issuer having failed to make a payment under the Subordinated Notes, will cease to be payable to the Person in whose name such Securities are registered on the relevant record date, and such defaulted Distribution will instead be payable to the Person in whose name

such Securities are registered on the special record date or other specified date determined in accordance with the Indenture. If any date on which Distributions are payable on the Securities is not a Business Day, then payment of the Distribution payable on such date will be made on the next succeeding day that is a Business Day (and without any interest or other payment in respect of any such delay) except that, if such Business Day is in the next succeeding calendar year, such payment shall be made on the immediately preceding Business Day, in each case with the same force and effect as if made on such date.

d. In the event that there is any money or other property held by or for the Trust that is not accounted for hereunder, such property shall be distributed Pro Rata (as defined herein) among the Holders of the Securities.

### 3. Liquidation Distribution Upon Dissolution.

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In the event of any voluntary or involuntary dissolution, winding-up or termination of the Trust, the Holders of the Securities on the date of the dissolution, winding-up or termination, as the case may be, will be entitled to receive out of the assets of the Trust available for distribution to Holders of Securities, after paying or making reasonable provision to pay all claims and obligations of the Trust in accordance with Section 3808(e) of the Business Trust Act, an amount equal to the aggregate of the stated liquidation amount of \$[ ] per Security plus accrued and unpaid Distributions thereon to the date of payment (such amount being the "Liquidation Distribution"), unless, in connection with such dissolution, winding-up or termination, Subordinated Notes in an aggregate principal amount equal to the aggregate stated liquidation amount of such Securities, with an interest rate equal to the Coupon Rate of, and bearing accrued and unpaid interest in an amount equal to the accrued and unpaid Distributions on, such Securities, shall be distributed on a Pro Rata basis to the Holders of the Securities in exchange for such Securities, after paying or making reasonable provision to pay all claims and obligations of the Trust in accordance with Section 3808(e) of the Business Trust Act.

If, upon any such dissolution, the Liquidation Distribution can be paid only in part because the Trust has insufficient assets available to pay in full the aggregate Liquidation Distribution, then the amounts payable directly by the Trust on the Securities shall be paid on a Pro Rata basis.

### 4. Redemption and Distribution.

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a. Upon the repayment of the Subordinated Notes in whole or in part, whether at maturity or upon redemption, the proceeds from such repayment or payment shall be simultaneously applied to redeem Securities having an aggregate liquidation amount equal to the aggregate principal amount of the Subordinated Notes so repaid or redeemed, at the redemption price for the Subordinated Notes, payable in cash (the "Redemption Price"). Holders will be given not less than 30 nor more than 60 days notice of such redemption.

b. If fewer than all the outstanding Securities are to be so redeemed, the Common Securities and the Preferred Securities will be redeemed Pro Rata and the Preferred Securities to be redeemed will be as described in Paragraph 4(h)(ii) below.



c. The Subordinated Notes are redeemable, in whole or in part, at the option of the Subordinated Notes Issuer, on or after [ ], 20[ ], at a redemption price equal to [100%] of the principal amount per Subordinated Notes, plus, in each case, accrued and unpaid interest thereon at the date of the redemption for the Debentures.

d. If, at any time, a Tax Event or an Investment Company Event (each as defined below, and each a "Special Event") shall occur and be continuing, the Subordinated Note Issuer shall have the right, upon not less than 30 nor more than 60 days notice, to redeem the Subordinated Notes in whole or in part, for cash within 90 days following the occurrence of such Special Event, at a redemption price equal to [100%] of the principal amount to be redeemed plus any accrued and unpaid interest thereon to the date of such redemption and, following such redemption, Securities with an aggregate liquidation amount equal to the aggregate principal amount of the Subordinated Notes so redeemed shall be redeemed by the Trust at the Redemption Price on a Pro Rata basis in accordance with paragraph 8 hereof. The Common Securities will be redeemed Pro Rata with the Preferred Securities, except that if an Event of Default has occurred and is continuing, the Preferred Securities will have priority over the Common Securities with respect to payment of the Redemption Price.

e. The following terms used herein shall be defined as follows:

(i) "Investment Company Event" means that the Trust shall have received an opinion of counsel experienced in practice under the Investment Company Act that, as a result of the occurrence of a change in law or regulation or a change in interpretation or application of law or regulation by any legislative body, court, governmental agency or regulatory authority (a "Change in 1940 Act Law"), there is more than an insubstantial risk that the Trust is or will be considered an Investment Company which is required to be registered under the Investment Company Act, which Change in 1940 Act Law becomes effective on or after the date of the Prospectus Supplement.

(ii) "Tax Event" means that the Trust shall have received an opinion of counsel experienced in such matters to the effect that on or after the date of the Prospectus Supplement, as a result of (a) any amendment to, or change (including any announced proposed change) in, the laws (or any regulations thereunder) of the United States or any political subdivision or taxing authority therefore or therein, or (b) any amendment to, or change in, an interpretation or application of any such laws or regulations by any legislative body, court, governmental agency or regulatory authority, which amendment or change is enacted, promulgated, issued, proposed or announced or which interpretation or pronouncement is issued, proposed or announced or which action is taken, in each case on or after the date of the Prospectus Supplement, there is more than an insubstantial risk that (i) the Trust is or will be within 90 days of the date of such opinion, subject to United States federal income tax with respect to interest accrued or received on the Subordinated Notes, (ii) the Trust is, or will be within 90 days of the date of such opinion, subject to more than a de minimis amount of taxes, duties or other governmental charges, or (iii) interest payable by the Subordinated Note Issuer to the Trust on the Subordinated Notes is not, or within 90 days of the date of such opinion will not be, deductible, in whole or in part, by the Debenture Issuer for United States federal income tax purposes.

f. The Trust may not redeem fewer than all the outstanding Securities unless all accrued and unpaid Distributions have been paid on all Securities for all quarterly Distribution periods terminating on or before the date of redemption.

g. In the event that the Sponsor makes the election referred to in Section 8.1(a)(v) of the Declaration, the Regular Trustees shall dissolve the Trust and, after paying or making reasonable provision to pay all claims and obligations of the Trust in accordance with Section 3808(e) of the Business Trust Act, cause Subordinated Notes, held by the Property Trustee, having an aggregate stated liquidation amount of, with an interest rate identical to the Coupon Rate of, and accrued and unpaid interest equal to accrued and unpaid Distributions on and having the same record date for payment, as the Securities, to be distributed to the Holders of the Securities in liquidation of such Holders' interests in the Trust on a Pro Rata basis in accordance with paragraph 8 hereof. On and from the date fixed by the Regular Trustees for any distribution of Subordinated Notes and dissolution of the Trust: (i) the Securities will no longer be deemed to be outstanding, (ii) The Depository Trust Company (the "Depository") or its nominee (or any successor Clearing Agency or its nominee), as the record Holder of the Preferred Securities, will receive a registered global certificate or certificates representing the Subordinated Notes to be delivered upon such distribution and (iii) any certificates representing Securities, except for certificates representing Preferred Securities held by the Depository or its nominee (or any successor Clearing Agency or its nominee), will be deemed to represent beneficial interests in the Subordinated Notes having an aggregate principal amount equal to the aggregate stated liquidation amount of, with an interest rate identical to the Coupon Rate of, and accrued and unpaid interest equal to accrued and unpaid Distributions on such Securities until such certificates are presented to the Subordinated Notes Issuer or its agent for transfer or reissue. If the Subordinated Notes are distributed to Holders of the Securities, pursuant to the terms of the Indenture, the Subordinated Notes Issuer will use its best efforts to have the Subordinated Notes listed on the New York Stock Exchange or on such other exchange as the Preferred Securities were listed immediately prior to the distribution of the Subordinated Notes.

h. Redemption or Distribution Procedures.  
-----

(i) Notice of any redemption of, or notice of distribution of Subordinated Notes in exchange for the Securities (a "Redemption/Distribution Notice") will be given by the Trust by mail to each Holder of Securities to be redeemed or exchanged not fewer than 30 nor more than 60 days before the date fixed for redemption or exchange thereof which, in the case of a redemption, will be the date fixed for redemption of the Subordinated Notes. For purposes of the calculation of the date of redemption or exchange and the dates on which notices are given pursuant to this paragraph 4(h)(i), a Redemption/Distribution Notice shall be deemed to be given on the day such notice is first mailed, by first-class mail, postage prepaid, to Holders of Securities. Each Redemption/Distribution Notice shall be addressed to the Holders of Securities at the address of each such Holder appearing in the books and records of the Trust. No defect in the Redemption/Distribution Notice or in the mailing of either thereof with respect to any Holder shall affect the validity of the redemption or exchange proceedings with respect to any other Holder.

(ii) In the event that fewer than all the outstanding Securities are to be redeemed, the Securities to be redeemed will be redeemed Pro Rata from each Holder of

Securities, it being understood that, in respect of Preferred Securities registered in the name of and held of record by DTC (or any successor Clearing Agency) or any other nominee, the distribution of the proceeds of such redemption will be made to each Clearing Agency Participant (or person on whose behalf such nominee holds such securities) in accordance with the procedures applied by such agency or nominee.

(iii) If Securities are to be redeemed and the Trust gives a Redemption/Distribution Notice which notice may only be issued if the Subordinated Notes are redeemed as set out in this paragraph 4 (which notice will be irrevocable) then (A) while the Preferred Securities are in book entry only form, with respect to the Preferred Securities, by 12:00 noon, New York City time, on the redemption date, provided that the Subordinated Notes Issuer has paid the Property Trustee a sufficient amount of cash in connection with the related redemption or maturity of the Subordinated Notes, the Property Trustee will deposit irrevocably with the Depository (or successor Clearing Agency) funds sufficient to pay the Redemption Price with respect to the Preferred Securities and will give the Depository irrevocable instructions and authority to pay the Redemption Price to the Holders of the Preferred Securities, and (B) if the Preferred Securities are issued in definitive form, with respect to the Preferred Securities, and with respect to the Common Securities, provided that the Subordinated Notes Issuer has paid the Property Trustee a sufficient amount of cash in connection with the related redemption or maturity of the Subordinated Notes, the Property Trustee will pay the Redemption Price to the Holders of such Securities by check mailed to the address of the relevant Holder appearing on the books and records of the Trust on the redemption date. If a Redemption/Distribution Notice shall have been given and funds deposited as required, if applicable, then immediately prior to the close of business on the date of such deposit, or on the redemption date, as applicable, Distributions will cease to accrue on the Securities so called for redemption and all rights of Holders of such Securities so called for redemption will cease, except the right of the Holders of such Securities to receive the Redemption Price, but without interest on such Redemption Price. Neither the Regular Trustees nor the Trust shall be required to register or cause to be registered the transfer of any Securities which have been so called for redemption. If any date fixed for redemption of Securities is not a Business Day, then payment of the Redemption Price payable on such date will be made on the next succeeding day that is a Business Day (and without any interest or other payment in respect of any such delay) except that, if such Business Day falls in the next calendar year, such payment will be made on the immediately preceding Business Day, in each case with the same force and effect as if made on such date fixed for redemption. If payment of the Redemption Price in respect of Securities is improperly withheld or refused and not paid either by the Property Trustee or by the Sponsor as guarantor pursuant to the relevant Securities Guarantee, Distributions on such Securities will continue to accrue, from the original redemption date to the actual date of payment, in which case the actual payment date will be considered the date fixed for redemption for purposes of calculating the Redemption Price.

(iv) Redemption/Distribution Notices shall be sent by the Regular Trustees on behalf of the Trust to (A) in respect of the Preferred Securities, the Depository or its nominee (or any successor Clearing Agency or its nominee) if the Global Certificates have been issued or if Definitive Preferred Security Certificates have been issued, to the Holder thereof, and (B) in respect of the Common Securities, to the Holder thereof.

(v) Subject to the foregoing and applicable law (including, without limitation, United States federal securities laws), provided the acquiror is not the Holder of the Common Securities or the obligor under the Indenture, the Sponsor or any of its subsidiaries may at any time and from time to time purchase outstanding Preferred Securities by tender, in the open market or by private agreement.

5. Voting Rights Applicable to Preferred Securities.  
-----

a. Except as provided under paragraphs 5(b) and 7 and as otherwise required by law and the Declaration, the Holders of the Preferred Securities will have no voting rights.

b. Subject to the requirements of the third to last sentence of this paragraph, the Holders of a Majority in liquidation amount of the Preferred Securities, voting separately as a class, may direct the time, method, and place of conducting any proceeding for any remedy available to the Property Trustee, or exercising any trust or power conferred upon the Property Trustee under the Declaration, including (i) directing the time, method, and place of conducting any proceeding for any remedy available to the Subordinated Notes Trustee, or exercising any trust or power conferred on the Subordinated Notes Trustee with respect to the Subordinated Notes, (ii) waiving any past default and its consequences that is waivable under Section 5.13 of the Indenture, (iii) exercising any right to rescind or annul a declaration that the principal of all the Subordinated Notes shall be due and payable or (iv) consenting to any amendment, modification or termination of the Indenture or the Subordinated Notes where such consent shall be required, provided, however, that where a consent under the Indenture would require the consent or act of the Holders of greater than a majority in principal amount of Subordinated Notes affected thereby (a "Super Majority"), the Property Trustee may only give such consent or take such action at the direction of the Holders of at least the proportion in liquidation amount of the Preferred Securities which the relevant Super Majority represents of the aggregate principal amount of the Subordinated Notes outstanding. The Property Trustee shall not revoke any action previously authorized or approved by a vote of the Holders of the Preferred Securities. Other than with respect to directing the time, method and place of conducting any remedy available to the Property Trustee or the Subordinated Notes Trustee as set forth above, the Property Trustee shall not take any action in accordance with the directions of the Holders of the Preferred Securities under this paragraph unless the Property Trustee has obtained an opinion of tax counsel to the effect that for the purposes of United States federal income tax the Trust will not be classified as other than a grantor trust on account of such action. If the Property Trustee fails to enforce its rights under the Declaration, any Holder of Preferred Securities may institute a legal proceeding directly against any Person to enforce the Property Trustee's rights under the Declaration, without first instituting a legal proceeding against the Property Trustee or any other Person. Notwithstanding the foregoing, if an Event of Default has occurred and is continuing with respect to the Preferred Securities and such event is attributable to the failure of the Subordinated Notes Issuer to pay interest, premium, if any, or principal on the Subordinated Notes on the date such interest, premium, if any, or principal is otherwise payable (or in the case of redemption, on the redemption date), then a holder of Preferred Securities may institute a Direct Action for enforcement of payment to such holder of the principal of, premium, if any, or interest on, Subordinated Notes having a principal amount equal to the aggregate liquidation amount of the Preferred Securities of such holder on or after the respective due date specified in the Subordinated Notes. Notwithstanding any payments made to such Holder of Preferred

Securities by the Subordinated Notes Issuer in connection with a Direct Action, the Subordinated Notes Issuer shall remain obligated to pay the principal of, premium, if any, and interest on the Subordinated Notes held by the Trust or the Property Trustee, and the Subordinated Notes Issuer shall be subrogated to the rights of the Holder of such Preferred Securities with respect to payments on the Preferred Securities to the extent of any payment made by the Subordinated Notes Issuer to such Holder in any Direct Action. Except as provided in the preceding sentences, the Holders of Preferred Securities will not be able to exercise directly any other remedy available to the holders of the Subordinated Notes.

c. Any approval or direction of Holders of Preferred Securities may be given at a separate meeting of Holders of Preferred Securities convened for such purpose, at a meeting of all of the Holders of Securities in the Trust or pursuant to written consent. The Regular Trustees will cause a notice of any meeting at which Holders of Preferred Securities are entitled to vote, or of any matter upon which action by written consent of such Holders is to be taken, to be mailed to each Holder of record of Preferred Securities. Each such notice will include a statement setting forth (i) the date of such meeting or the date by which such action is to be taken, (ii) a description of any resolution proposed for adoption at such meeting on which such Holders are entitled to vote or of such matter upon which written consent is sought and (iii) instructions for the delivery of proxies or consents.

d. No vote or consent of the Holders of the Preferred Securities will be required for the Trust to redeem and cancel Preferred Securities or to distribute the Subordinated Notes in accordance with the Declaration and the terms of the Securities.

e. Notwithstanding that Holders of Preferred Securities are entitled to vote or consent under any of the circumstances described above, any of the Preferred Securities that are owned by the Sponsor or any Affiliate of the Sponsor shall not be entitled to vote or consent and shall, for purposes of such vote or consent, be treated as if they were not outstanding.

6. Voting Rights With Respect to Common Securities.  
-----

a. Except as provided under paragraphs 6(b), 6(c) and 7 and as otherwise required by law and the Declaration, the Holders of the Common Securities will have no voting rights.

b. The Holders of the Common Securities are entitled, in accordance with Article V of the Declaration, to vote to appoint, remove or replace any Trustee or to increase or decrease the number of Trustees.

c. Subject to Section 2.6 of the Declaration and only after all Events of Default with respect to the Preferred Securities have been cured, waived or otherwise eliminated and subject to the requirements of the second to last sentence of this paragraph, the Holders of a Majority in liquidation amount of the Common Securities, voting separately as a class, may direct the time, method, and place of conducting any proceeding for any remedy available to the Property Trustee, or exercising any trust or power conferred upon the Property Trustee under the Declaration, including (i) directing the time, method, place of conducting any proceeding for any remedy available to the Subordinated Notes Trustee, or exercising any trust or power conferred

on the Subordinated Notes Trustee with respect to the Subordinated Notes, (ii) waiving any past default and its consequences that is waivable under Section 513 of the Indenture, or (iii) exercising any right to rescind or annul a declaration that the principal of all the Subordinated Notes shall be due and payable, provided, however, that where a consent or action under the Indenture would require the consent or act of the Holders of greater than a majority in principal amount of Debentures affected thereby (a "Super Majority"), the Property Trustee may only give such consent or take such action at the direction of the Holders of at least the proportion in liquidation amount of the Common Securities which the relevant Super Majority represents of the aggregate principal amount of the Subordinated Notes outstanding. Pursuant to this paragraph 6(c), the Property Trustee shall not revoke any action previously authorized or approved by a vote of the Holders of the Common Securities. Other than with respect to directing the time, method and place of conducting any remedy available to the Property Trustee or the Subordinated Notes Trustee as set forth above, the Property Trustee shall not take any action in accordance with the directions of the Holders of the Common Securities under this paragraph unless the Property Trustee has obtained an opinion of tax counsel to the effect that for the purposes of United States federal income tax the Trust will not be classified as other than a grantor trust on account of such action. If the Property Trustee fails to enforce its rights under the Declaration, any Holder of Common Securities may institute a legal proceeding directly against any Person to enforce the Property Trustee's rights under the Declaration, without first instituting a legal proceeding against the Property Trustee or any other Person. Notwithstanding the foregoing, if an Event of Default has occurred and is continuing with respect to the Common Securities and such event is attributable to the failure of the Subordinated Notes Issuer to pay interest or principal on the Subordinated Notes on the date such interest or principal is otherwise payable (or in the case of redemption, on the redemption date), then a holder of Common Securities may institute a proceeding for enforcement of payment to such holder of the principal of, or interest on, Subordinated Notes having a principal amount equal to the aggregate liquidation amount of the Common Securities of such holder on or after the respective due date specified in the Subordinated Notes.

d. Any approval or direction of Holders of Common Securities may be given at a separate meeting of Holders of Common Securities convened for such purpose, at a meeting of all of the Holders of Securities in the Trust or pursuant to written consent. The Regular Trustees will cause a notice of any meeting at which Holders of Common Securities are entitled to vote, or of any matter upon which action by written consent of such Holders is to be taken, to be mailed to each Holder of record of Common Securities. Each such notice will include a statement setting forth (i) the date of such meeting or the date by which such action is to be taken, (ii) a description of any resolution proposed for adoption at such meeting on which such Holders are entitled to vote or of such matter upon which written consent is sought and (iii) instructions for the delivery of proxies or consents.

e. No vote or consent of the Holders of the Common Securities will be required for the Trust to redeem and cancel Common Securities or to distribute the Subordinated Notes in accordance with the Declaration and the terms of the Securities.

7. Amendments to Declaration and Indenture.  
-----

a. In addition to any requirements under Section 12.1 of the Declaration, if any proposed amendment to the Declaration provides for, or the Regular Trustees otherwise propose to effect, (i) any action that would adversely affect the powers, preferences or special rights of the Securities, whether by way of amendment to the Declaration or otherwise, or (ii) the dissolution, winding-up or termination of the Trust, other than as described in Section 8.1 or Section 3.14 of the Declaration, then the Holders of outstanding Securities as a class, will be entitled to vote on such amendment or proposal (but not on any other amendment or proposal) and such amendment or proposal shall not be effective except with the approval of the Holders of at least a Majority in liquidation amount of the Securities, voting together as a single class; provided, however, that if any amendment or proposal referred to in clause (i) above would adversely affect only the Preferred Securities or the Common Securities, then only the affected class will be entitled to vote on such amendment or proposal and such amendment or proposal shall not be effective except with the approval of a Majority in liquidation amount of such class of Securities.

b. In the event the consent of the Property Trustee as the holder of the Subordinated Notes is required under the Indenture with respect to any amendment, modification or termination of the Indenture or the Subordinated Notes, the Property Trustee shall request the direction of the Holders of the Securities with respect to such amendment, modification or termination and shall vote with respect to such amendment, modification or termination as directed by a Majority in liquidation amount of the Securities voting together as a single class; provided, however, that where a consent under the Indenture would require the consent of the Holders of greater than a majority in aggregate principal amount of the Debentures (a "Super Majority"), the Property Trustee may only give such consent at the direction of the Holders of at least the proportion in liquidation amount of the Securities which the relevant Super Majority represents of the aggregate principal amount of the Debentures outstanding; provided, further, that the Property Trustee shall not take any action in accordance with the directions of the Holders of the Securities under this paragraph 7(b) unless the Property Trustee has been furnished an opinion of tax counsel to the effect that for the purposes of United States federal income tax the Trust will not be classified as other than a grantor trust on account of such action.

8. Pro Rata.  
-----

A reference in these terms of the Securities to any payment, distribution or treatment as being "Pro Rata" shall mean pro rata to each Holder of Securities according to the aggregate liquidation amount of the Securities held by the relevant Holder in relation to the aggregate liquidation amount of all Securities outstanding unless, in relation to a payment, an Event of Default under the Indenture has occurred and is continuing, in which case any funds available to make such payment shall be paid first to each Holder of the Preferred Securities pro rata according to the aggregate liquidation amount of Preferred Securities held by the relevant Holder relative to the aggregate liquidation amount of all Preferred Securities outstanding, and only after satisfaction of all amounts owed to the Holders of the Preferred Securities, to each Holder of Common Securities pro rata according to the aggregate liquidation amount of Common Securities held by the relevant Holder relative to the aggregate liquidation amount of all Common Securities outstanding.

9. Ranking.  
-----

The Preferred Securities rank pari passu and payment thereon shall be made Pro Rata with the Common Securities except that, where an Event of Default occurs and is continuing under the Indenture in respect of the Subordinated Notes held by the Property Trustee, the rights of Holders of the Common Securities to payment in respect of Distributions and payments upon liquidation, redemption and otherwise are subordinated to the rights to payment of the Holders of the Preferred Securities.

10. Acceptance of Securities Guarantee and Indenture.  
-----

Each Holder of Preferred Securities and Common Securities, by the acceptance thereof, agrees to the provisions of the Preferred Securities Guarantee and the Common Securities Guarantee, respectively, including the subordination provisions therein and to the provisions of the Indenture.

11. No Preemptive Rights.  
-----

The Holders of the Securities shall have no preemptive rights to subscribe for any additional Securities.

12. Miscellaneous.  
-----

These terms constitute a part of the Declaration.

The Sponsor will provide a copy of the Declaration, the Preferred Securities Guarantee and the Indenture to a Holder without charge on written request to the Trust at its principal place of business.



Annex I

[IF THE PREFERRED SECURITY IS TO BE A GLOBAL CERTIFICATE INSERT This Preferred Security is a Global Certificate within the meaning of the Declaration hereinafter referred to and is registered in the name of The Depository Trust Company (the "Depository") or a nominee of the Depository. This Preferred Security is exchangeable for Preferred Securities registered in the name of a person other than the Depository or its nominee only in the limited circumstances described in the Declaration and no transfer of this Preferred Security (other than a transfer of this Preferred Security as a whole by the Depository to a nominee of the Depository or by a nominee of the Depository to the Depository or another nominee of the Depository) may be registered except in limited circumstances.

Unless this Preferred Security is presented by an authorized representative of The Depository Trust Company (55 Water Street, New York) to the Trust or its agent for registration of transfer, exchange or payment, and any Preferred Security issued is registered in the name of Cede & Co. or such other name as requested by an authorized representative of The Depository Trust Company and any payment hereon is made to Cede & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY A PERSON IS WRONGFUL since the registered owner hereof, Cede & Co., has an interest herein.]

Certificate Number \_\_\_\_\_ Number of Preferred Securities \_\_\_\_\_  
CUSIP NO. \_\_\_\_\_

Certificate Evidencing Preferred Securities  
of  
OXY CAPITAL TRUST [ ]  
[ ]% Preferred Securities  
(liquidation amount \$[ ] per Preferred Security)

OXY CAPITAL TRUST [ ], a business trust formed under the laws of the State of Delaware (the "Trust"), hereby certifies that CEDE & CO. (the "Holder") is the registered owner of preferred securities of the Trust representing undivided beneficial interests in the assets of the Trust designated the [ ]% Preferred Securities (liquidation amount \$[ ] per Preferred Security) (the "Preferred Securities"). The Preferred Securities are transferable on the books and records of the Trust, in person or by a duly authorized attorney, upon surrender of this certificate duly endorsed and in proper form for transfer. The designation, rights, privileges, restrictions, preferences and other terms and provisions of the Preferred Securities represented hereby are issued and shall in all respects be subject to the provisions of the Amended and Restated Declaration of Trust of the Trust dated as of [ ], 199[ ], as the same may be amended from time to time (the "Declaration") including the designation of the terms of the Preferred Securities as set forth in Exhibit A to the Declaration. Capitalized terms used herein but not defined shall have the respective meanings given them in the Declaration. The Holder is entitled to the benefits of the Preferred Securities Guarantee to the extent provided therein. The Sponsor will provide a copy of the Declaration, the Preferred Securities Guarantee and the Indenture to a Holder without charge upon written request to the Trust at its principal place of business.

Upon receipt of this certificate, the Holder is bound by the Declaration and is entitled to the benefits thereunder.

By acceptance, the Holder agrees to treat, for United States federal income tax purposes, the Subordinated Notes as indebtedness and the Preferred Securities as evidence of indirect beneficial ownership in the Subordinated Notes.

IN WITNESS WHEREOF, the Trust has executed this certificate this \_\_\_\_\_ day of \_\_\_\_\_, 199[ ].

\_\_\_\_\_ as Trustee

\_\_\_\_\_ as Trustee

CERTIFICATE OF AUTHENTICATION

This is one of the Securities issued under the Amended and Restated Declaration of Trust described herein.

Dated: \_\_\_\_\_

THE BANK OF NEW YORK, as Property Trustee

By: \_\_\_\_\_

Name:

Title:

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned assigns and transfers this Preferred Security Certificate to:

-----  
(Insert assignee's social security or tax identification number)

-----  
(Insert address and zip code of assignee)

and irrevocably appoints

-----  
agent to transfer this Preferred Security Certificate on the books of the Trust. The agent may substitute another to act for him or her.

Date: -----

Signature: -----

(Sign exactly as your name appears on the  
other side of this Preferred Security  
Certificate)

Signature Guarantor: -----

Annex II

TRANSFER OF THIS CERTIFICATE  
IS SUBJECT TO THE CONDITIONS  
SET FORTH IN THE DECLARATION  
REFERRED TO BELOW

THE SECURITY EVIDENCED HEREBY HAS NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD UNLESS SUCH OFFER AND SALE ARE REGISTERED UNDER OR ARE EXEMPT FROM REGISTRATION UNDER THE SECURITIES ACT. THE TRANSFER OF THE SECURITY EVIDENCED HEREBY IS ALSO SUBJECT TO THE RESTRICTIONS SET FORTH IN THE DECLARATION REFERRED TO BELOW.

Certificate Number \_\_\_\_\_ Number of Common Securities \_\_\_\_\_

Certificate Evidencing Common Securities  
of  
OXY CAPITAL TRUST [ ]  
Common Securities.  
(liquidation amount \$[ ] per Common Security)

OXY CAPITAL TRUST [ ], a business trust formed under the laws of the State of Delaware (the "Trust"), hereby certifies that Occidental Petroleum Corporation (the "Holder") is the registered owner of common securities of the Trust representing undivided beneficial interests in the assets of the Trust designated the [ ]% Common Securities (liquidation amount \$[ ] per Common Security) (the "Common Securities"). The Common Securities are transferable on the books and records of the Trust, in person or by a duly authorized attorney, upon surrender of this certificate duly endorsed and in proper form for transfer. The designation, rights, privileges, restrictions, preferences and other terms and provisions of the Common Securities represented hereby are issued and shall in all respects be subject to the provisions of the Amended and Restated Declaration of Trust of the Trust dated as of [ ], 199[ ], as the same may be amended from time to time (the "Declaration") including the designation of the terms of the Common Securities as set forth in Exhibit A to the Declaration. Capitalized terms used herein but not defined shall have the respective meanings given them in the Declaration. The Holder is entitled to the benefits of the Common Securities Guarantee to the extent provided therein. The Sponsor will provide a copy of the Declaration, the Common Securities Guarantee and the Indenture to a Holder without charge upon written request to the Trust at its principal place of business.

Upon receipt of this certificate, the Holder is bound by the Declaration and is entitled to the benefits thereunder.

By acceptance, the Holder agrees to treat, for United States federal income tax purposes, the Subordinated Notes as indebtedness and the Common Securities as evidence of indirect beneficial ownership in the Subordinated Notes.

IN WITNESS WHEREOF, the Trust has executed this certificate this day of [ ], 199[ ].

\_\_\_\_\_ as Trustee

\_\_\_\_\_ as Trustee

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned assigns and transfers this Preferred Security Certificate to:

-----  
(Insert assignee's social security or tax identification number)

-----  
(Insert address and zip code of assignee)

and irrevocably appoints

-----  
agent to transfer this Preferred Security Certificate on the books of the Trust. The agent may substitute another to act for him or her.

Date: \_\_\_\_\_

Signature: \_\_\_\_\_  
(Sign exactly as your name appears on the other side of this Preferred Security Certificate)

Signature Guarantor: \_\_\_\_\_

=====

OCCIDENTAL PETROLEUM CORPORATION

TO

THE BANK OF NEW YORK, TRUSTEE

-----

INDENTURE

DATED AS OF [            ], 1999

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SUBORDINATED DEBT SECURITIES

=====

OCCIDENTAL PETROLEUM CORPORATION  
RECONCILIATION AND TIE BETWEEN TRUST INDENTURE ACT OF 1939 AND INDENTURE

TRUST INDENTURE ACT SECTION	INDENTURE SECTION
(S)310(a)(1).....	608
(a)(2).....	608
(a)(3).....	Not Applicable
(a)(4).....	Not Applicable
(a)(5).....	608
(b).....	608
	610
(c).....	Not Applicable
(S)311(a).....	612
(b).....	612
(c).....	Not Applicable
(S)312(a).....	701
	702(a)
(b).....	702(b)
(c).....	702(b)
(S)313(a).....	704, 1009
(b).....	Not Applicable
(c)(1).....	102
(c)(2).....	102
(c)(3).....	Not Applicable
(d).....	Not Applicable
(e).....	102
(f).....	Not Applicable
(S)315(a).....	601(a)
(b).....	602
(c).....	601(b)
(d).....	601(c)
(d)(1).....	601(c)(1)
(d)(2).....	601(c)(2)
(d)(3).....	601(c)(3)
(e).....	514
(S)316(a).....	101
(a)(1)(A).....	512
(a)(1)(B).....	513
(a)(2).....	Not Applicable
(b).....	508
(c).....	104(f)
(S)317(a)(1).....	503
(a)(2).....	504
(b).....	1003
(S)318(a).....	107

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Note: This reconciliation and tie shall not, for any purpose, be deemed to be a part of the Indenture.

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INDENTURE, dated as of [            ], 1999, between Occidental Petroleum

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Corporation, a corporation duly organized and existing under the laws of the State of Delaware (herein called the "Company"), having its principal office at 10889 Wilshire Boulevard, Los Angeles, California 90024, and The Bank of New York, a New York banking corporation, as trustee (herein called the "Trustee").

#### Recitals of the Company

The Company has duly authorized the execution and delivery of this Indenture to provide for the issuance from time to time of its unsecured debentures, notes or other evidences of indebtedness (herein called the "Securities"), to be issued in one or more series as in this Indenture provided.

All things necessary to make the Securities, when executed by the Company and authenticated and delivered hereunder and duly issued by the Company, the valid obligations of the Company, and to make this Indenture a valid agreement of the Company, in accordance with their and its terms, have been done.

Now, Therefore, This Indenture Witnesseth:

For and in consideration of the premises and the purchase of the Securities by the Holders thereof, it is mutually covenanted and agreed, for the equal and proportionate benefit of all Holders of the Securities or of one or more series thereof and the coupons, if any, appertaining thereto, as follows:

#### ARTICLE ONE

##### Definitions and Other Provisions of General Application

##### SECTION 101. Definitions.

For all purposes of this Indenture, except as otherwise expressly provided or unless the context otherwise requires:

(1) the terms defined in this Article have the meanings assigned to them in this Article and include the plural as well as the singular;

(2) all other terms used herein which are defined in the Trust Indenture Act, either directly or by reference therein, have the meanings assigned to them therein;

(3) all accounting terms not otherwise defined herein have the meanings assigned to them in accordance with generally accepted accounting principles, and, except as otherwise herein expressly provided, the term "generally accepted accounting principles,"

with respect to any computation required or permitted hereunder, shall mean such accounting principles as are generally accepted in the United States of America at the date of such computation; and

(4) the words "herein," "hereof" and "hereunder" and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or other subdivision.

Certain terms, used principally in Article Six, are defined in that Article.

"Act" when used with respect to any Holder has the meaning specified in Section 104.

"Affiliate" of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For the purposes of this definition, "control," when used with respect to any specified Person, means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"Authorized Newspaper" means a newspaper, in the English language or in an official language of the country of publication, customarily published on each Business Day, whether or not published on Saturdays, Sundays or holidays, and of general circulation in the place in connection with which the term is used or in the financial community of such place. Whenever successive publications are required to be made in an Authorized Newspaper, the successive publications may be made in the same or in different Authorized Newspapers meeting the foregoing requirements and, in each case, on any Business Day.

"Bearer Security" means any Security in the form established pursuant to Section 201 which is payable to bearer.

"Board of Directors" means either the board of directors of the Company or any duly authorized committee of that board.

"Board Resolution" means a copy of a resolution certified by the Secretary or an Assistant Secretary of the Company to have been duly adopted by the Board of Directors and to be in full force and effect on the date of such certification, and delivered to the Trustee.

"Business Day," except as otherwise specified as contemplated by Section 301, when used with respect to any Place of Payment or any other particular location referred to in this Indenture or in the Securities, means each Monday, Tuesday, Wednesday, Thursday and Friday which is not a day on which banking institutions in that Place of Payment or other location are authorized or obligated by law or executive order to close.

"Cedel S.A." means Centrale de Livraison de Valeurs Mobilieres S.A.

"Commission" means the Securities and Exchange Commission, as from time to time constituted, created under the Securities Exchange Act of 1934, as amended, or, if at any time after the execution of this instrument such Commission is not existing and performing the duties now assigned to it under the Trust Indenture Act, then the body performing such duties at such time.

"Company" means the Person named as the "Company" in the first paragraph of this instrument until a successor corporation or other Person shall have become such pursuant to the applicable provisions of this Indenture, and thereafter "Company" shall mean such successor corporation or other Person.

"Company Request" and "Company Order" mean, respectively, a written request or order delivered to the Trustee and signed in the name of the Company by its Chairman of the Board, its President or one of its Vice Presidents and by one of its other Vice Presidents, its Treasurer, an Assistant Treasurer, its Secretary, an Assistant Secretary, or, with respect to Sections 303, 304, 305 and 603, any other employee of the Company named in an Officers' Certificate delivered to the Trustee.

"Corporate Trust Office" means the office maintained by the Trustee at which, at any particular time, its corporate trust business principally is administered, which initially shall be 101 Barclay Street, New York, New York 10286.

"corporation" includes corporations, associations, companies and business trusts.

"coupon" means any interest coupon appertaining to a Bearer Security.

"Defaulted Interest" has the meaning specified in Section 307.

"Depository" means, with respect to the Securities of any series issuable or issued in whole or in part in global form, the Person specified as contemplated by Section 301 as the Depository with respect to such series of Securities, until a successor shall have become such pursuant to the applicable provisions of this Indenture, and thereafter "Depository" shall mean or include such successor.

"Discount Security" means any Security which provides for an amount less than the principal amount thereof to be due and payable upon a declaration of acceleration of the Maturity thereof pursuant to Section 502.

"Dollar" or "\$" means a dollar or other equivalent unit in such coin or currency of the United States of America as at the time shall be legal tender for the payment of public and private debts.

"Euro-Clear" means the operator of the Euro-Clear System.



"Event of Default" has the meaning specified in Section 501.

"Holder," when used with respect to any Security, means, in the case of a Registered Security, the Person in whose name the Security is registered in the Security Register and, in the case of a Bearer Security, the bearer thereof and, when used with respect to any coupon, means the bearer thereof.

"Indebtedness," as applied to a Person, means, as of the date on which Indebtedness is to be determined and without duplication (i) all obligations represented by notes, bonds, debentures or similar evidences of indebtedness; (ii) all indebtedness for borrowed money or for the deferred purchase price of property or services other than, in the case of any such deferred purchase price, on normal trade terms; (iii) all rental obligations as lessee under leases which shall have been or should be, in accordance with generally accepted accounting principles, recorded as capital leases; and (iv) all Indebtedness of others for the payment of which such Person is responsible or liable as obligor or guarantor.

"Indenture" means this instrument, as originally executed or as it may from time to time be supplemented or amended by one or more indentures supplemental hereto entered into pursuant to the applicable provisions hereof, and shall include the terms (but not defined terms established in an Officers' Certificate) of one or more particular series of Securities established as contemplated by Section 301.

"interest," when used with respect to a Discount Security which by its terms bears interest only after Maturity, means interest payable after Maturity.

"Interest Payment Date," when used with respect to any Security, means the Stated Maturity of an installment of interest on such Security.

"Maturity," when used with respect to any Security, means the date on which the principal of such Security or an installment of principal or, in the case of a Discount Security, the principal amount payable upon a declaration of acceleration pursuant to Section 502, becomes due and payable, as therein or herein provided, whether at the Stated Maturity or by declaration of acceleration, call for redemption or otherwise.

"Non-United States Holder" means any person who, for Federal income tax purposes, is any person other than (i) a citizen or resident of the United States, (ii) a corporation or partnership created or organized in the United States or under the laws of the United States or any state thereof, (iii) an estate whose income is includable in gross income for United States federal income tax purposes regardless of its source, or (iv) a trust whose administration is subject to the primary supervision of a United States court and which has one or more United States persons who have the authority to control all substantial decisions of the trust.

"Officers' Certificate" means a certificate signed by the Chairman of the Board, the President, a Vice President, the Treasurer or an Assistant Treasurer of the Company, and by one of the other

Vice Presidents, the Treasurer, one of the other Assistant Treasurers, the Secretary or an Assistant Secretary of the Company, and delivered to the Trustee.

"Opinion of Counsel" means a written opinion of counsel, who may be an employee of or counsel for the Company, and who shall be reasonably satisfactory to the Trustee.

"Outstanding," when used with respect to the Securities, means, as of the date of determination, all Securities theretofore authenticated and delivered under this Indenture, except:

(i) Securities theretofore cancelled by the Trustee or delivered to the Trustee for cancellation;

(ii) Securities for whose payment or redemption money in the necessary amount has been theretofore deposited with the Trustee or any Paying Agent (other than the Company) in trust or set aside and segregated in trust by the Company (if the Company shall act as its own Paying Agent) for the Holders of such Securities and any coupons thereto appertaining; provided that, if such Securities are to be redeemed, notice of such redemption has been duly given pursuant to this Indenture or provision therefor satisfactory to the Trustee has been made; and

(iii) Securities which have been paid pursuant to Section 306 or in exchange for or in lieu of which other Securities have been authenticated and delivered pursuant to this Indenture, other than any such Securities in respect of which there shall have been presented to the Trustee proof satisfactory to the Company and the Trustee that such Securities are held by a bona fide purchaser in whose hands such Securities are valid obligations of the Company;

provided, however, that in determining whether the Holders of the requisite principal amount of the Outstanding Securities have given any request, demand, authorization, direction, notice, consent or waiver hereunder: (i) the principal amount of a Discount Security that shall be deemed to be Outstanding shall be the amount of the principal thereof that would be due and payable, as of the date of such determination, upon acceleration of the Maturity thereof pursuant to Section 502; (ii) the principal amount of a Security denominated in a foreign currency or currencies shall be the Dollar equivalent, determined on the date of original issuance of such Security, of the principal amount (or, in the case of a Discount Security, the Dollar equivalent, on the date of original issuance of such Security, of the amount determined as provided in (i) above) of such Security; and (iii) Securities owned by the Company or any other obligor upon the Securities or any Affiliate of the Company or of such other obligor shall be disregarded and deemed not to be Outstanding, except that, in determining whether the Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Securities which the Trustee knows to be so owned shall be so disregarded. Securities so owned which have been pledged in good faith may be regarded as Outstanding if the pledgee establishes to the satisfaction of the Trustee the pledgee's

right so to act with respect to such Securities and that the pledgee is not the Company or any other obligor upon the Securities or any Affiliate of the Company or of such other obligor.

"Oxy Capital Trust" shall mean each of Oxy Capital Trust I, Oxy Capital Trust II and Oxy Capital Trust III, each a Delaware business trust, or any other similar trust, or any partnership or other entity affiliated with the Company created for the purpose of issuing securities in connection with the issuance of Securities under this Indenture.

"Paying Agent" means any Person authorized by the Company to pay the principal of or interest on any Securities on behalf of the Company.

"Periodic Offering" means an offering of Securities of a series from time to time, the specific terms of which Securities, including, without limitation, the rate or rates of interest, if any, thereon, the Stated Maturity or Maturities thereof, the original issue date or dates thereof, the redemption provisions, if any, and any other terms specified as contemplated by Section 301 with respect thereto, are to be determined by the Company, or one or more of the Company's agents designated in an Officers' Certificate, upon the issuance of such Securities.

"Person" means any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, trust, unincorporated organization or government or any agency or political subdivision thereof.

"Place of Payment," when used with respect to the Securities of any series, means the place or places where, subject to the provisions of Section 1002, the principal of and any interest on the Securities of that series are payable, as specified as contemplated by Section 301.

"Predecessor Security" of any particular Security means every previous Security evidencing all or a portion of the same debt as that evidenced by such particular Security; and, for the purposes of this definition, any Security authenticated and delivered under Section 306 in exchange for or in lieu of a mutilated, destroyed, lost or stolen Security or a Security to which a mutilated, destroyed, lost or stolen coupon appertains shall be deemed to evidence the same debt as the mutilated, destroyed, lost or stolen Security or the Security to which the mutilated, destroyed, lost or stolen coupon appertains, as the case may be.

"principal" of a debt security, except as otherwise specifically provided in this Indenture, means the outstanding principal of the security plus the premium, if any, of the security.

"Redemption Date," when used with respect to any Security to be redeemed, means the date fixed for such redemption by or pursuant to this Indenture.

"Redemption Price," when used with respect to any Security to be redeemed, means the price at which it is to be redeemed pursuant to this Indenture.

"Registered Security" means any Security established pursuant to Section 201 which is registered in the Security Register.

"Regular Record Date" for the interest payable on any Interest Payment Date on the Registered Securities of any series means the date specified for that purpose as contemplated by Section 301.

"Responsible Officer" when used with respect to the Trustee, means any officer in the corporate trust department of the Trustee or any other officer of the Trustee customarily performing functions similar to those performed by any such officer and also means, with respect to a particular corporate trust matter, any other officer to whom such matter is referred because of his knowledge of and familiarity with the particular subject.

"Securities" has the meaning stated in the first recital of this Indenture and more particularly means any Securities authenticated and delivered under this Indenture.

"Security Register" and "Security Registrar" have the respective meanings specified in Section 305.

"Senior Indebtedness" has the meaning specified in Section 1401.

"Special Record Date" for the payment of any Defaulted Interest on the Registered Securities of any issue means a date fixed by the Trustee pursuant to Section 307.

"Stated Maturity," when used with respect to any Security or any installment of principal thereof or interest thereon, means the date specified in such Security or a coupon representing such installment of interest as the fixed date on which the principal of such Security or such installment of principal or interest is due and payable.

"Subsidiary" means a corporation, association, partnership or other business entity more than 50% of the outstanding voting stock of which is owned, directly or indirectly, by the Company or by one or more other Subsidiaries, or by the Company and one or more other Subsidiaries. For the purposes of this definition, "voting stock" means stock which ordinarily has voting power for the election of directors or persons performing similar functions, whether at all times or only so long as no senior class of stock has such voting power by reason of any contingency.

"Trustee" means the Person named as the "Trustee" in the first paragraph of this instrument until a successor Trustee shall have become such pursuant to the applicable provisions of this Indenture, and thereafter "Trustee" shall mean such successor Trustee.

"Trust Indenture Act" means the Trust Indenture Act of 1939, as amended and in force at the date as of which this instrument is qualified thereunder, except as provided in Section 905.

"United States" means the United States of America, its territories, its possessions (including the Commonwealth of Puerto Rico) and other areas subject to its jurisdiction.

"Vice President," when used with respect to the Company or the Trustee, means any vice president, whether or not designated by a number or a word or words added before or after the title "vice president."

#### SECTION 102. Compliance Certificates and Opinions.

Upon any application or request by the Company to the Trustee to take any action under any provision of this Indenture, the Company shall, upon the request of the Trustee, furnish to the Trustee an Officers' Certificate stating that all conditions precedent, if any, provided for in this Indenture relating to the proposed action have been complied with and an Opinion of Counsel stating that in the opinion of such counsel all such conditions precedent, if any, have been complied with, except that in the case of any such application or request as to which the furnishing of such documents is specifically required by any provision of this Indenture relating to such particular application or request, no additional certificate or opinion need be furnished.

Every certificate or opinion with respect to compliance with a condition or covenant provided for in this Indenture (excluding the Trustee's certificate of disposition pursuant to Section 309 and the annual compliance certificate pursuant to Section 1009) shall include:

(1) a statement that each individual signing such certificate or opinion has read such covenant or condition and the definitions herein relating thereto;

(2) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based;

(3) a statement that, in the opinion of each such individual, he has made such examination or investigation as is necessary to enable him to express an informed opinion as to whether or not such covenant or condition has been complied with; and

(4) a statement as to whether, in the opinion of each such individual, such condition or covenant has been complied with.

#### SECTION 103. Form of Documents Delivered to Trustee.

In any case where several matters are required to be certified by, or covered by an opinion of, any specified Person, it is not necessary that all such matters be certified by, or covered by the opinion of, only one such Person, or that they be so certified or covered by only one document, but one such Person may certify or give an opinion with respect to some matters and one or more other

such Persons as to other matters, and any such Person may certify or give an opinion as to such matters in one or several documents.

Any certificate or opinion of an officer of the Company may be based, insofar as it relates to legal matters, upon a certificate or opinion of, or representations by, counsel, unless such officer knows, or in the exercise of reasonable care should know, that the certificate or opinion or representations with respect to the matters upon which his certificate or opinion is based are erroneous. Any such certificate or Opinion of Counsel may be based, insofar as it relates to factual matters, upon a certificate or opinion of, or representations by, an officer or officers of the Company stating that the information with respect to such factual matters is in the possession of the Company, unless such counsel knows, or in the exercise of reasonable care should know, that the certificate or opinion or representations with respect to such matters are erroneous.

Where any Person is required to make, give or execute two or more applications, requests, consents, certificates, statements, opinions or other instruments under this Indenture, they may, but need not, be consolidated and form one instrument.

#### SECTION 104. Acts of Holders.

(a) Any request, demand, authorization, direction, notice, consent, waiver or other action provided by this Indenture to be given or taken by Holders may be embodied in and evidenced by one or more instruments of substantially similar tenor signed by such Holders in person or by an agent duly appointed in writing. If Securities of a series are issuable as Bearer Securities, any request, demand, authorization, direction, notice, consent, waiver or other action provided by this Indenture to be given or taken by Holders of such series may, alternatively, be embodied in and evidenced by the record of Holders of Securities of such series voting in favor thereof, either in person or by proxies duly appointed in writing, at any meeting of Holders of Securities of such series duly called and held in accordance with the provisions of Article Thirteen, or a combination of such instruments and any such record. Except as herein otherwise expressly provided, such action shall become effective when such instrument or instruments or record or both are delivered to the Trustee and, where it is hereby expressly required, to the Company. Such instrument or instruments and any such record (and the action embodied therein and evidenced thereby) are herein sometimes referred to as the "Act" of the Holders signing such instrument or instruments and so voting at any such meeting. Proof of execution of any such instrument or of a writing appointing any such agent, or of the holding by any Person of a Security, shall be sufficient for any purpose of this Indenture and (subject to Section 601) conclusive in favor of the Trustee and the Company, if made in the manner provided in this Section. The record of any meeting of Holders of Securities shall be proved in the manner provided in Section 1306.

(b) The fact and date of the execution by any Person of any such instrument or writing, or the authority of the Person executing the same, may be proved in any reasonable manner which the Trustee deems sufficient.

(c) The principal amount and serial numbers of Registered Securities held by any Person, and the date of holding the same, shall be proved by the Security Register.

(d) The principal amount and serial numbers of Bearer Securities held by any Person, and the date of holding the same, may be proved by the production of such Bearer Securities or by a certificate executed by any trust company, bank, banker or other depositary, wherever situated, as depositary, if such certificate shall be deemed by the Trustee to be satisfactory, showing that at the date therein mentioned such Person had on deposit with such depositary, or exhibited to it, the Bearer Securities therein described; or such facts may be proved by the certificate or affidavit of the Person holding such Bearer Securities, if such certificate or affidavit is deemed by the Trustee to be satisfactory. The Trustee and the Company may assume that such ownership of any Bearer Security continues until (1) another certificate or affidavit bearing a later date issued in respect of the same Bearer Security is produced, (2) such Bearer Security is produced to the Trustee by some other Person, (3) such Bearer Security is surrendered in exchange for a Registered Security or (4) such Bearer Security is no longer Outstanding. The principal amount and serial numbers of Bearer Securities held by any Person, and the date of holding the same, may also be proved in any other manner which the Trustee deems sufficient.

(e) Any request, demand, authorization, direction, notice, consent, waiver or other Act of the Holder of any Security shall bind every future Holder of the same Security and the Holder of every Security issued upon the registration of transfer thereof or in exchange therefor or in lieu thereof in respect of anything done, omitted or suffered to be done by the Trustee or the Company in reliance thereon, whether or not notation of such action is made upon such Security.

(f) If the Company shall solicit from the Holders any request, demand, authorization, direction, notice, consent, waiver or other Act, the Company may, at its option, by or pursuant to an Officers' Certificate delivered to the Trustee, fix in advance a record date for the determination of Holders entitled to give such request, demand, authorization, direction, notice, consent, waiver or other Act, but the Company shall have no obligation to do so. Any such record date, if so fixed, may vary from that specified in Section 316(c) of the Trust Indenture Act. If such a record date is fixed, such request, demand, authorization, direction, notice, consent, waiver or other Act may be given before or after such record date, but only the Holders of record at the close of business on such record date shall be deemed to be Holders for the purposes of determining whether Holders of the requisite percentage of Outstanding Securities or Outstanding Securities of a series, as the case may be, have authorized or agreed or consented to such request, demand, authorization, direction, notice, consent, waiver or other Act, and for that purpose the Outstanding Securities or Outstanding Securities of the series, as the case may be, shall be computed as of such record date; provided, that no such authorization, agreement or consent by the Holders on the record date shall be deemed effective, unless such request, demand, authorization, direction, notice, consent, waiver or other Act shall become effective pursuant to the provisions of Clause (a) of this Section 104 not later than six months after the record date.

SECTION 105. Notices, Etc., to Trustee and Company.

Any request, demand, authorization, direction, notice, consent, waiver or Act of Holders or other document provided or permitted by this Indenture to be made upon, given or furnished to, or filed with,

(1) the Trustee by any Holder or by the Company shall be sufficient for every purpose hereunder if made, given, furnished or filed in writing to or with the Trustee at its Corporate Trust Office, Attention: Corporate Trust Trustee Administration, or

(2) the Company by the Trustee or by any Holder shall be sufficient for every purpose hereunder (unless otherwise herein expressly provided) if in writing and mailed, first-class postage prepaid, to the Company addressed to it, Attention: Treasurer, at the address of its principal office specified in the first paragraph of this instrument or at any other address previously furnished in writing to the Trustee by the Company.

SECTION 106. Notice to Holders; Waiver.

Except as otherwise expressly provided herein, where this Indenture provides for notice to Holders of Securities of any event,

(1) such notice shall be sufficiently given to Holders of Registered Securities, if in writing and mailed, first-class postage prepaid, to each Holder of a Registered Security affected by such event, at his address as it appears in the Security Register, not later than the latest date, and not earlier than the earliest date, prescribed for the giving of such notice; and

(2) such notice shall be sufficiently given to Holders of Bearer Securities, if published in an Authorized Newspaper in The City of New York and in such other city or cities as may be specified in such Securities on a Business Day at least twice, the first such publication to be not earlier than the earliest date, and not later than the latest date, prescribed for the giving of such notice.

Where this Indenture provides for notice in any manner, such notice may be waived in writing by the Person entitled to receive such notice, either before or after the event, and such waiver shall be the equivalent of such notice. Waivers of notice by Holders shall be filed with the Trustee, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

In case, by reason of the suspension of regular mail service, or by reason of any other cause, it shall be impracticable to give such notice to Holders of Registered Securities by mail, then such notification as shall be made with the approval of the Trustee shall constitute a sufficient notification for every purpose hereunder. In any case where notice to Holders of Registered Securities is given



by mail, neither the failure to mail such notice, nor any defect in any notice so mailed, to any particular Holder of a Registered Security shall affect the sufficiency of such notice with respect to other Holders of Registered Securities or the sufficiency of any notice to Holders of Bearer Securities given as provided herein.

In case, by reason of the suspension of publication of any Authorized Newspaper or Authorized Newspapers, or by reason of any other cause, it shall be impracticable to publish any notice to Holders of Bearer Securities as provided above, then such notification to Holders of Bearer Securities as shall be given with the approval of the Trustee shall constitute sufficient notice to such Holders for every purpose hereunder. Neither the failure to give notice by publication to Holders of Bearer Securities as provided above, nor any defect in any notice so published, shall affect the sufficiency of any notice to Holders of Registered Securities given as provided herein.

SECTION 107. Conflict with Trust Indenture Act.

If any provision hereof limits, qualifies or conflicts with the duties imposed by operation of Trust Indenture Act Section 318(c), the imposed duties shall control.

SECTION 108. Effect of Headings and Table of Contents.

The Article and Section headings herein and the Table of Contents are for convenience only and shall not affect the construction hereof.

SECTION 109. Successors and Assigns.

All covenants and agreements in this Indenture by the Company shall bind its successors and assigns, whether so expressed or not.

SECTION 110. Separability Clause.

In case any provision in this Indenture or in the Securities shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

SECTION 111. Benefits of Indenture.

Except as provided in the last paragraph of Section 401, nothing in this Indenture or in the Securities, express or implied, shall give to any Person, other than the parties hereto and their successors hereunder and the Holders of Securities, any benefits or any legal or equitable right, remedy or claim under this Indenture.

SECTION 112. Governing Law.

This Indenture and the Securities shall be governed by and construed in accordance with the internal laws of the State of New York including, without limitation, Section 5-1401 of the New York General Obligations Law.

SECTION 113. Legal Holidays.

In any case where any Interest Payment Date, Redemption Date or Stated Maturity of any Security or, in the case of any Security which is subject to redemption or repurchase by the Company at the option of the Holder, the date fixed for such redemption or repayment, shall not be a Business Day at any Place of Payment, then, except as may otherwise be provided with respect to the Securities of any series pursuant to Section 301, payment of interest or principal need not be made at such Place of Payment on such date, but may be made on the next succeeding Business Day at such Place of Payment, with the same force and effect as if made on the Interest Payment Date or Redemption Date or at the Stated Maturity or the date fixed for such redemption or repurchase, and no interest shall accrue for the period from and after such Interest Payment Date, Redemption Date or Stated Maturity or date for such redemption or repurchase, as the case may be.

SECTION 114. Language of Notices, Etc.

Any request, demand, authorization, direction, notice, consent or waiver required or permitted under this Indenture shall be in the English language, except that any published notice may be in an official language of the country of publication.

ARTICLE TWO

Security Form

SECTION 201. Forms Generally.

The Registered Securities, if any, of each series and the Bearer Securities, if any, and the coupons, if any, appertaining thereto, of each series shall be in such form (including global form) as shall be established by delivery to the Trustee of an Officers' Certificate or in one or more indentures supplemental hereto, in each case with such appropriate insertions, omissions, substitutions and other variations as are required or permitted by this Indenture, and may have such letters, numbers or other marks of identification and such legends or endorsements placed thereon as may be required to comply with the rules of any securities exchange or as may, consistently herewith, be determined by the officers executing such Securities or coupons, as evidenced by their execution of the Securities or coupons. If the forms of the Securities or coupons of any series are established by an Officers' Certificate, such Officers' Certificate shall be delivered to the Trustee at or prior to the delivery of the Company Order contemplated by Section 303 for the authentication and delivery of such Securities or coupons.

Unless otherwise specified as contemplated by Section 301, Bearer Securities shall have interest coupons attached.

The definitive Securities and coupons, if any, shall be printed, lithographed or engraved or produced by any combination of these methods or may be produced in any other manner, provided, that such method is permitted by the rules of any securities exchange on which such Securities may be listed, all as determined by the officers executing such Securities, as evidenced by their execution of such Securities.

SECTION 202. Form of Trustee's Certificate of Authentication.

The Trustee's certificate of authentication shall be in substantially the following form:

This is one of the Securities of the series designated therein referred to in the within-mentioned Indenture.

The Bank of New York,  
as Trustee

By: \_\_\_\_\_  
Authorized Signatory

SECTION 203. Securities in Global Form.

If Securities of a series are issuable in temporary or definitive global form, as specified as contemplated by Section 301, then, notwithstanding Clause (10) of Section 301 and the provisions of Section 302, any such Security shall represent such of the Outstanding Securities of such series as shall be specified therein and may provide that it shall represent the aggregate amount of Outstanding Securities from time to time endorsed thereon and that the aggregate amount of Outstanding Securities represented thereby may from time to time be reduced to reflect exchanges. Any endorsement of a Security in global form to reflect the amount, or any increase or decrease in the amount, of Outstanding Securities represented thereby shall be made by the Trustee in such manner, and upon instructions given by such Person or Persons, as shall be specified therein or in the Company Order to be delivered to the Trustee pursuant to Section 303 or Section 304. Subject to the provisions of Section 303 and, if applicable, Section 304, the Trustee shall deliver and redeliver any Security in global form in the manner, and upon instructions given by the Person or Persons, specified therein or in the applicable Company Order. If a Company Order pursuant to Section 303 or 304 has been, or simultaneously is, delivered, any instructions by the Company with respect to endorsement, or delivery or redelivery, of a Security in global form shall be in writing, but need not comply with Section 102 and need not be accompanied by an Opinion of Counsel.

The provisions of the last sentence of Section 303 shall apply to any Security represented by a Security in global form, if such Security was never issued and sold by the Company, and the Company delivers to the Trustee the Security in global form, together with written instructions (which need not comply with Section 102 and need not be accompanied by an Opinion of Counsel) with regard to the reduction in the principal amount of Securities represented thereby and the written statement contemplated by the last sentence of Section 303.

### ARTICLE THREE

#### The Securities

##### SECTION 301. Title and Terms.

The aggregate principal amount of Securities which may be authenticated and delivered under this Indenture shall be unlimited.

The Securities may be issued in one or more series. There shall be established in one or more Board Resolutions or pursuant to authority granted by one or more Board Resolutions and, subject to Section 303, set forth, or determined in the manner provided, in an Officers' Certificate, or established in one or more indentures supplemental hereto:

(1) the title of the Securities of the series (which shall distinguish the Securities of the series from all other Securities);

(2) any limit upon the aggregate principal amount of the Securities of the series which may be authenticated and delivered under this Indenture (except for Securities authenticated and delivered upon registration of transfer of, or in exchange for, or in lieu of, other Securities of the series pursuant to Section 304, 305, 306, 906 or 1107 and, if the Securities of such series are subject to redemption or repurchase by the Company at the option of the Holders thereof, except for Securities of such series authenticated and delivered upon any such repurchase or redemption of any such Security in part, and except for any Securities which, pursuant to Section 303, are deemed never to have been authenticated and delivered hereunder);

(3) whether Securities of the series are to be issuable as Registered Securities, Bearer Securities or both, whether any Securities of the series may be represented initially by a Security in temporary or definitive global form and, if so, the initial Depositary with respect to any such temporary or definitive global Security, and, if other than as provided in Section 304 or Section 305, as applicable, whether, and the circumstances under which, beneficial owners of interests in any such temporary or definitive global Security may exchange such interests for Securities of such series of like tenor of any authorized form and denomination and the Authorized Newspapers for publication of notices to holders of Bearer Securities;

(4) the Person to whom any interest on any Registered Security of the series shall be payable, if other than the Person in whose name that Security (or one or more Predecessor Securities) is registered at the close of business on the Regular Record Date for such interest, the manner in which, and the Person to whom, any interest on any Bearer Security of the series shall be payable, if otherwise than upon presentation and surrender of the coupons appertaining thereto as they severally mature, and any additional or different terms with respect to the payment of interest on temporary or definitive global Securities;

(5) the date or dates on which the principal of the Securities of the series is payable or the method of determination thereof;

(6) the rate or rates (which may be fixed or variable) at which the Securities of the series shall bear interest, if any, or the method of calculating such rate or rates, the date or dates from which any such interest shall accrue, the Interest Payment Dates on which any such interest shall be payable and the Regular Record Date for any interest payable on any Registered Securities on any Interest Payment Date;

(7) the place or places where, subject to the provisions of Section 1002, the principal of and any interest on Securities of the series shall be payable, any Registered Securities of the series may be surrendered for registration of transfer, Securities of the series may be surrendered for exchange and notices and demands to or upon the Company in respect of the Securities of the series and this Indenture may be served;

(8) the period or periods within which, the price or prices at which and the terms and conditions upon which, Securities of the series may be redeemed, in whole or in part, at the option of the Company;

(9) the obligation, if any, of the Company to redeem or purchase Securities of the series pursuant to any sinking fund or analogous provisions or at the option of a Holder thereof, the conditions, if any, giving rise to such obligation, and the period or periods within which, the price or prices at which and the terms and conditions upon which, Securities of the series shall be redeemed or purchased, in whole or in part, pursuant to such obligation, and any provisions for the remarketing of such Securities;

(10) the denominations in which any Registered Securities of the series shall be issuable, if other than denominations of \$1,000 and any integral multiple thereof, and the denomination or denominations in which any Bearer Securities of the series shall be issuable, if other than denominations of \$5,000 and \$100,000;

(11) the currency or currencies, including composite currencies or currency units, in which Securities of the series may be denominated or in which payment of the principal of and any interest on the Securities of the series shall be payable, if other than the currency

of the United States of America, and if so, whether the Securities of the series may be satisfied and discharged other than as provided in Article Four;

(12) if the amounts of payments of principal of and any interest on the Securities of the series are to be determined with reference to an index, formula or other method, or based on a coin or currency other than that in which the Securities are stated to be payable, the manner in which such amounts shall be determined and the calculation agent, if any, with respect thereto;

(13) if other than the principal amount thereof, the portion of the principal amount of any Securities of the series which shall be payable upon declaration of acceleration of the Maturity thereof pursuant to Section 502;

(14) if the Company will pay additional amounts on any of the Securities and coupons, if any, of the series to any Holder who is a Non-United States Holder (including any modification in the definition of such term), in respect of any tax, assessment or governmental charge withheld or deducted, under what circumstances, and with what procedures and documentation, the Company will pay such additional amounts, whether such additional amounts will be treated as interest or principal pursuant to this Indenture, and whether the Company will have the option to redeem such Securities rather than pay additional amounts (and the terms of any such option);

(15) if other than as defined in Section 101, the meaning of "Business Day" when used with respect to any Securities of the series;

(16) if the Securities of the series may be issued or delivered (whether upon original issuance or upon exchange of a temporary Security of such series or otherwise), or any installment of principal or interest is payable, only upon receipt of certain certificates or other documents or satisfaction of other conditions in addition to those specified in this Indenture, the forms and terms of such certificates, documents or conditions;

(17) the right, if any, of the Company to defer payments of interest by extending the interest payment periods by a period of time to be determined by the Company, the Interest Payment Dates on which such interest shall be payable and whether and under what circumstances additional interest on amounts deferred shall be payable;

(18) any addition to, or modification or deletion of, any Event of Default, covenant of the Company or other term or provision specified in this Indenture with respect to Securities of the series;

(19) the terms, if other than those set forth in Article Fourteen, on which the Securities of the series will be subordinate to other Indebtedness of the Company; and

(20) any other terms of the series, whether or not consistent with the other provisions of this Indenture.

All Securities of any one series and the coupons appertaining to any Bearer Securities of such series shall be substantially identical, except as to denomination, the rate or rates of interest, if any, the Stated Maturity, the date from which interest, if any, shall accrue, the other financial terms thereof and except as may otherwise be provided in or pursuant to an Officers' Certificate pursuant to this Section 301 or in any indenture supplemental hereto. All Securities of any one series need not be issued at the same time and, unless otherwise provided, a series may be reopened for issuances of additional Securities of such series.

If any of the terms of the series are established by action taken pursuant to a Board Resolution, a copy of any appropriate record of such action shall be certified by the Secretary or an Assistant Secretary of the Company and delivered to the Trustee at or prior to the delivery of the Officers' Certificate setting forth the terms of the series. With respect to Securities of a series subject to a Periodic Offering, such Board Resolution or the Officers' Certificate or supplemental indenture setting forth or establishing the terms of such series may provide general terms for Securities of such series and provide either that the specific terms of particular Securities of such series shall be specified in a Company Order or that such terms shall be determined by the Company, or one or more of the Company's agents designated in an Officers' Certificate, in accordance with the Company Order as contemplated by the first proviso of the third paragraph of Section 303.

#### SECTION 302. Denominations.

Unless otherwise provided as contemplated by Section 301 with respect to any series of Securities, any Registered Securities of a series shall be issuable in denominations of \$1,000 and any integral multiple thereof and any Bearer Securities of a series shall be issuable in denominations of \$5,000 and \$100,000.

#### SECTION 303. Execution, Authentication, Delivery and Dating.

The Securities shall be executed on behalf of the Company by its Chairman of the Board, its President, one of its Vice Presidents, its Treasurer, or one of its Assistant Treasurers under its corporate seal (or a facsimile thereof) reproduced thereon and attested by its Secretary or one of its Assistant Secretaries. The signature of any of these officers on the Securities may be manual or facsimile. Coupons shall bear the actual or facsimile signature of the Treasurer or an Assistant Treasurer of the Company.

Securities and coupons, if any, appertaining thereto, bearing the manual or facsimile signatures of individuals who were at any time the proper officers of the Company shall bind the Company, notwithstanding that such individuals, or any of them, have ceased to hold such offices prior to the authentication and delivery of such Securities or did not hold such offices at the date of such Securities.

At any time and from time to time after the execution and delivery of this Indenture, the Company may deliver Securities of any series, together with any coupons appertaining thereto, executed by the Company to the Trustee for authentication, together with a Company Order for the authentication and delivery of such Securities; and the Trustee, in accordance with such Company Order, shall authenticate and deliver such Securities; provided, however, that, with respect to Securities of a series subject to a Periodic Offering, (a) such Company Order may be delivered by the Company to the Trustee prior to the delivery to the Trustee of such Securities for authentication and delivery, (b) the Trustee shall authenticate and deliver Securities of such series for original issue from time to time, in an aggregate principal amount not exceeding the aggregate principal amount established for such series, pursuant to a Company Order or pursuant to such procedures acceptable to the Trustee as may be specified from time to time by a Company Order, (c) the rate or rates of interest, if any, the Stated Maturity or Maturities, the original issue date or dates, the redemption provisions, if any, and any other terms of Securities of such series shall be determined by a Company Order or pursuant to such procedures and (d) if provided for in such procedures, such Company Order may authorize authentication and delivery pursuant to oral or electronic instructions from the Company, or the Company's duly authorized agent or agents designated in an Officers' Certificate, which oral instructions shall be promptly confirmed in writing; and provided, further, that, in connection with its original issuance, no Bearer Security or coupon shall be mailed or otherwise delivered to any Person who is not a Non-United States Holder or to any location in the United States. Except as permitted by Section 306, the Trustee shall not authenticate and deliver any Bearer Security, unless all appurtenant coupons for interest then matured have been detached and cancelled.

In authenticating Securities, the form or terms of which have been established in or pursuant to one or more Officers' Certificates as permitted by Sections 201 and 301, and accepting the additional responsibilities under this Indenture in relation to such Securities, the Trustee shall be entitled to receive, and (subject to Section 601) shall be fully protected in relying upon, an Opinion of Counsel stating:

(a) that the form and terms of such Securities, including any coupons, have been duly authorized by the Company and established in conformity with the provisions of this Indenture; and

(b) that such Securities, together with any coupons appertaining thereto, when authenticated and delivered by the Trustee and issued by the Company in the manner and subject to any conditions specified in such Opinion of Counsel, will constitute valid and legally binding obligations of the Company, enforceable in accordance with their terms, subject to customary exceptions;

provided, however, that, with respect to Securities of a series subject to a Periodic Offering, the Trustee shall be entitled to receive such Opinion of Counsel only once, at or prior to the time of the first authentication of Securities of such series, and that the Opinion of Counsel above may state:



(x) that the forms of such Securities have been, and the terms of such Securities (when established in accordance with such procedures as may be specified from time to time in a Company Order, all as contemplated by and in accordance with a Board Resolution or an Officers' Certificate pursuant to Section 301, as the case may be) will have been, duly authorized by the Company and established in conformity with the provisions of this Indenture; and

(y) that such Securities, together with the coupons, if any, appertaining thereto, when (1) executed by the Company, (2) completed, authenticated and delivered by the Trustee in accordance with this Indenture and (3) issued by the Company in the manner and subject to any conditions specified in such Opinion of Counsel, will constitute valid and legally binding obligations of the Company, enforceable in accordance with their terms, subject to customary exceptions.

With respect to Securities of a series subject to a Periodic Offering, the Trustee may conclusively rely, as to the authorization by the Company of any of such Securities, the form and terms thereof and the legality, validity, binding effect and enforceability thereof, upon the Opinion of Counsel and other documents delivered pursuant to Sections 201 and 301 and this Section, as applicable, at or prior to the time of the first authentication of Securities of such series, unless and until it has received written notification that such opinion or other documents have been superseded or revoked. In connection with the authentication and delivery of Securities of a series subject to a Periodic Offering, the Trustee shall be entitled to assume that the Company's instructions to authenticate and deliver such Securities do not violate any rules, regulations or orders of any governmental agency or commission having jurisdiction over the Company.

Notwithstanding the provisions of Section 301 and of the preceding three paragraphs, if all Securities of a series are subject to a Periodic Offering, it shall not be necessary to deliver the Officers' Certificate otherwise required pursuant to Section 301 at or prior to the time of authentication of each Security of such series if such Officers' Certificate is delivered at or prior to the authentication upon original issuance of the first Security of such series to be issued.

Each Registered Security shall be dated the date of its authentication; and, unless otherwise specified as contemplated by Section 301, each Bearer Security (including a Bearer Security represented by a temporary global Security) shall be dated as of the date of original issuance of the first Security of such series to be issued.

The Trustee may appoint an authenticating agent acceptable to the Company to authenticate Securities. Unless otherwise provided in the appointment, an authenticating agent may authenticate Securities whenever the Trustee may do so. Each reference in this Indenture to authentication by the Trustee includes authentication by such agent.

No Security or coupon appertaining thereto shall be entitled to any benefit under this Indenture or be valid or obligatory for any purpose, unless there appears on such Security a

certificate of authentication substantially in the form provided for herein, executed by the Trustee by the manual signature of one of its authorized signatories, and such certificate upon any Security shall be conclusive evidence, and the only evidence, that such Security has been duly authenticated and delivered hereunder. Notwithstanding the foregoing, if any Security shall have been duly authenticated and delivered hereunder but never issued and sold by the Company, and the Company shall deliver such Security to the Trustee for cancellation as provided in Section 309, together with a written statement (which need not comply with Section 102 and need not be accompanied by an Opinion of Counsel) stating that such Security has never been issued and sold by the Company, for all purposes of this Indenture such Security shall be deemed never to have been authenticated and delivered hereunder and shall never be entitled to the benefits of this Indenture.

#### SECTION 304. Temporary Securities.

Pending the preparation of definitive Securities of any series, the Company may execute, and upon a Company Order the Trustee shall authenticate and deliver, temporary Securities that are printed, lithographed, typewritten, photocopied or otherwise produced, in any authorized denomination, substantially of the tenor of the definitive Securities in lieu of which they are issued, in registered form or, if authorized, in bearer form, with one or more coupons or without coupons, and with such appropriate insertions, omissions, substitutions and other variations as the officers executing such Securities may determine, as evidenced by their execution of such Securities. Such temporary Securities may be in global form.

Except in the case of Securities represented by a temporary global Security (which shall be exchanged in accordance with the provisions of the three succeeding paragraphs), if temporary Securities for some or all of the Securities of any series are issued, the Company will cause definitive Securities representing such Securities to be prepared without unreasonable delay. After the preparation of such definitive Securities, the temporary Securities shall be exchangeable for such definitive Securities of like tenor upon surrender of such temporary Securities at any office or agency of the Company designated pursuant to Section 1002 in a Place of Payment for such series for the purpose of exchanges of Securities of such series, without charge to the Holder. Upon surrender for cancellation of any one or more temporary Securities of any series (accompanied by any unmatured coupons appertaining thereto), the Company shall execute, and the Trustee shall authenticate and deliver in exchange therefor, a like principal amount of definitive Securities of the same series and of like tenor of authorized denominations; provided, however, that no definitive Bearer Security shall be delivered in exchange for a temporary Registered Security. Until so exchanged, the temporary Securities shall in all respects be entitled to the same benefits under this Indenture as definitive Securities.

Unless otherwise specified as contemplated by Section 301, if Bearer Securities of any series are represented by a Security in temporary global form, any such temporary global Security shall be delivered to the Depositary for the benefit of Euro-clear or Cedel S.A., for credit to the respective accounts of the beneficial owners of such Securities (or to such other accounts as they may direct).

Without unnecessary delay, but in any event not later than the date specified in, or determined pursuant to the terms of, any such temporary global Security (the "Exchange Date"), the Company shall deliver to the Trustee definitive Securities of the same series, in aggregate principal amount equal to the principal amount of such temporary global Security, executed by the Company. On or after the Exchange Date, such temporary global Security shall be surrendered by the Depository to the Trustee, as the Company's agent for such purpose, to be exchanged, in whole or from time to time in part, for definitive Securities of the same series and of like tenor without charge, and the Trustee shall authenticate and deliver, in exchange for each portion of such temporary global Security, an equal aggregate principal amount of definitive Securities of the same series of authorized denominations and of like tenor as the portion of such temporary global Security to be exchanged. The definitive Securities to be delivered in exchange for any such temporary global Security shall be in definitive bearer form or registered form, or shall be represented by a definitive global Security, or any combination thereof, as specified as contemplated by Section 301, and, if any combination thereof is so specified, as requested by the beneficial owner thereof.

Unless otherwise specified in any such temporary global Security, the interest of a beneficial owner of Securities of a series represented by such temporary global Security shall be exchanged for definitive Securities of the same series and of like tenor following the Exchange Date, when the account holder instructs Euro-clear or Cedel S.A., as the case may be, to request such exchange on his behalf and delivers to Euro-clear or Cedel S.A., as the case may be, any certificate specified as contemplated by Section 301. Unless otherwise specified in such temporary global Security, any such exchange shall be made free of charge to the beneficial owners of such temporary global Security, except that a Person receiving definitive Securities must bear the cost of insurance, postage, transportation and the like, in the event that such Person does not take delivery of such definitive Securities in person at the offices of Euro-clear or Cedel S.A.

Until exchanged in full as hereinabove provided, the temporary Securities of any series shall in all respects be entitled to the same benefits under this Indenture as definitive Securities of the same series and of like tenor authenticated and delivered hereunder, except that, unless otherwise specified as contemplated by Section 301, interest payable on a temporary global Security representing a series of Bearer Securities on an Interest Payment Date for Securities of such series occurring prior to the applicable Exchange Date shall be payable to Euro-clear and Cedel S.A. on such Interest Payment Date, upon delivery by Euro-clear and Cedel S.A. to the Trustee of any certificate specified as contemplated by Section 301, for credit, without further interest on or after such Interest Payment Date, to the respective accounts of the Persons who are the beneficial owners of such temporary global Security on such Interest Payment Date and who have each delivered to Euro-clear or Cedel S.A., as the case may be, any certificate specified as contemplated by Section 301.

#### SECTION 305. Registration, Registration of Transfer and Exchange.

(1) The Company shall cause to be kept, at one of its offices or agencies maintained pursuant to Section 1002, a register for the Securities accessible to the Trustee (the register

maintained in such office or agency designated pursuant to Section 1002 being herein sometimes collectively referred to as the "Security Register"), in which, subject to such reasonable regulations as it may prescribe, the Company shall provide for the registration of Securities and of transfers of Securities. The Trustee is hereby appointed "Security Registrar" for the purpose of registering Securities and transfers of Securities as herein provided.

(2) Upon surrender for registration of transfer of any Security at an office or agency of the Company designated pursuant to Section 1002 for such purpose in a Place of Payment, the Company shall execute, and the Trustee or a duly appointed co-authenticating agent shall authenticate and deliver, in the name of the designated transferee or transferees, one or more new Registered Securities of the same series and of any authorized denominations, of a like aggregate principal amount and tenor.

(3) Notwithstanding any other provisions (other than the provisions set forth in the seventh and eighth paragraphs) of this Section, a Security in global form representing all or a portion of the Securities of a series may not be transferred, except as a whole by the Depository for such series to a nominee of such Depository, or by a nominee of such Depository to such Depository or another nominee of such Depository, or by such Depository or any such nominee to a successor Depository for such series or a nominee of such successor Depository.

(4) At the option of the Holder, Registered Securities of any series may be exchanged for other Registered Securities of the same series of any authorized denominations and of a like aggregate principal amount, terms and tenor, upon surrender of the Securities to be exchanged at any such office or agency. Whenever any Securities are so surrendered for exchange, the Company shall execute, and the Trustee shall authenticate and deliver, the Securities which the Holder making the exchange is entitled to receive. Bearer Securities may not be issued in exchange for Registered Securities.

(5) At the option of the Holder, Bearer Securities of any series may be exchanged for Registered Securities of the same series of any authorized denominations and of a like aggregate principal amount, terms and tenor, upon surrender of the Bearer Securities to be exchanged at any such office or agency, with all unmatured coupons and all matured coupons in default thereto appertaining. If the Holder of a Bearer Security is unable to produce any such unmatured coupon or coupons or matured coupon or coupons in default, such exchange may be effected if the Bearer Securities are accompanied by payment, in funds acceptable to the Company and the Trustee, in an amount equal to the face amount of such missing coupon or coupons, or the surrender of such missing coupon or coupons may be waived by the Company and the Trustee if there is furnished to them such security or indemnity as they may require to save each of them and any Paying Agent harmless. If thereafter the Holder of such Security shall surrender to any Paying Agent any such missing coupon in respect of which such a payment shall have been made, such Holder shall be entitled to receive the amount of such payment; provided, however, that, except as otherwise provided in Section 1002, interest represented by coupons shall be payable only upon presentation and surrender of those coupons at an office or agency located outside the United States.

Notwithstanding the foregoing, in case a Bearer Security of any series is surrendered at any such office or agency in exchange for a Registered Security of the same series and terms and like tenor after the close of business at such office or agency on (i) any Regular Record Date and before the opening of business at such office or agency on the relevant Interest Payment Date, or (ii) any Special Record Date and before the opening of business at such office or agency on the related proposed date for payment of Defaulted Interest, such Bearer Security shall be surrendered without the coupon relating to such Interest Payment Date or proposed date for payment, as the case may be, and interest or Defaulted Interest, as the case may be, will not be payable on such Interest Payment Date or proposed date for payment, as the case may be, in respect of the Registered Security issued in exchange for such Bearer Security, but will be payable only to the Holder of such coupon when due in accordance with the provisions of this Indenture.

(6) Whenever any Securities are so surrendered for exchange, the Company shall execute, and the Trustee or a duly appointed authenticating agent shall authenticate and deliver, the Securities which the Holder making the exchange is entitled to receive.

(7) If at any time the Depositary for the Securities of a series notifies the Company that it is unwilling or unable to continue as Depositary for the Securities of such series, or if such Depositary shall cease to be eligible to act as such in respect of the Securities of such series, the Company shall appoint a successor Depositary with respect to the Securities of such series. If a successor Depositary for the Securities of such series is not appointed by the Company within 90 days after the Company receives such notice, the Company will execute, and the Trustee, upon receipt of a Company Order for the authentication and delivery of definitive Securities of such series, will authenticate and deliver, Securities of such series in definitive form, in an aggregate principal amount equal to the principal amount of the Security or Securities in global form representing such series, in exchange for such Security or Securities in global form in accordance with the instructions, if any, of the Depositary.

(8) The Company may at any time and in its sole discretion determine that the Securities of any series issued in the form of one or more global Securities shall no longer be represented by such global Security or Securities. In such event, or if an Event of Default with respect to the Securities of such series shall have occurred and shall be continuing, the Company will execute, and the Trustee, upon receipt of a Company Order for the authentication and delivery of definitive Securities of such series, will authenticate and deliver Securities of such series in definitive form, and in an aggregate principal amount equal to the principal amount of the Security or Securities in global form representing such series, in exchange for such Security or Securities in global form in accordance with the instructions, if any, of the Depositary.

(9) Notwithstanding the foregoing, except as otherwise specified in the preceding two paragraphs or as contemplated by Section 301, any definitive global Security shall be exchangeable only as provided in this paragraph. If the beneficial owners of interests in a definitive global Security are entitled to exchange such interests for definitive Securities of such series and of like principal amount and tenor but of another authorized form and denomination, as specified as

contemplated by Section 301, then, without unnecessary delay, but in any event not later than the earliest date on which such interests may be so exchanged, the Company shall deliver to the Trustee definitive Securities, in aggregate principal amount equal to the principal amount of such definitive global Security, executed by the Company. On or after the earliest date on which such interests may be so exchanged, such definitive global Security shall be surrendered by the Depositary with respect thereto to the Trustee, as the Company's agent for such purpose, to be exchanged, in whole or from time to time in part, for definitive Securities without charge, and the Trustee shall authenticate and deliver, in exchange for each portion of such definitive global Security, an equal aggregate principal amount of definitive Securities of the same series of authorized denominations and of like tenor as the portion of such definitive global Security to be exchanged, which, unless the Securities of the series are not issuable both as Bearer Securities and as Registered Securities, as specified as contemplated by Section 301, shall be in the form of Bearer Securities or Registered Securities, or any combination thereof, as shall be specified by the beneficial owner thereof; provided, however, that notwithstanding the last paragraph of this Section 305, no such exchanges may occur during a period beginning at the opening of business 15 days before any selection of Securities of that series to be redeemed and ending on the relevant Redemption Date; and provided, further, that in connection with its original issuance, no Bearer Security or coupon delivered in exchange for a portion of a definitive global Security shall be mailed or otherwise delivered to any Person that is not a Non-United States Holder or to any location in the United States. If a Registered Security is issued in exchange for any portion of a definitive global Security after the close of business at the office or agency where such exchange occurs on (i) any Regular Record Date and before the opening of business at such office or agency on the relevant Interest Payment Date, or (ii) any Special Record Date and the opening of business at such office or agency on the related proposed date for payment of Defaulted Interest, interest or Defaulted Interest, as the case may be, will not be payable on such Interest Payment Date or proposed date for payment, as the case may be, in respect of such Registered Security, but will be payable on such Interest Payment Date or proposed date for payment, as the case may be, only to the Person to whom interest in respect of such portion of such definitive global Security is payable in accordance with the provisions of this Indenture.

(10) Upon the exchange of a Security in global form for Securities in definitive form, such Security in global form shall be cancelled by the Trustee. All cancelled Securities and coupons held by the Trustee shall be disposed of by the Trustee in accordance with its customary practice and a certificate of such disposition delivered to the Company, unless the Company directs that such cancelled Securities be returned to it. Registered Securities issued in exchange for a Security in global form pursuant to this Section 305 shall be registered in such names and in such authorized denominations as the Depositary for such Security in global form, pursuant to instructions from its direct or indirect participants or otherwise, shall instruct the Trustee. The Trustee shall deliver such Registered Securities to the persons in whose names such Securities are so registered.

(11) All Securities issued upon any registration of transfer or exchange of Securities shall be the valid obligations of the Company, evidencing the same debt, and entitled to the same benefits under this Indenture, as the Securities surrendered upon such registration of transfer or exchange.

(12) Every Registered Security presented or surrendered for registration of transfer or for exchange shall (if so required by the Company or the Trustee) be duly endorsed, or be accompanied by a written instrument of transfer, in form satisfactory to the Company and the Security Registrar, duly executed, by the Holder thereof or his attorney duly authorized in writing.

(13) No service charge shall be made for any registration of transfer or exchange of Securities, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any registration of transfer or exchange of Securities, other than exchanges pursuant to Section 304, 906 or 1107 not involving any transfer, other than exchanges upon the Company's repurchase or redemption of any Securities in part at the option of the Holders thereof not involving any transfer, and other than exchanges of global Securities (or portions thereof) for Securities in definitive form in accordance with Section 305.

The Company shall not be required (i) to issue, register the transfer of or exchange Securities of any series during a period beginning at the opening of business 15 days before any selection of Securities of that series to be redeemed and ending (except as otherwise provided in the first proviso in the ninth paragraph of this Section 305) at the close of business on (A) if Securities of the series are issuable only as Registered Securities, the day of the mailing of the relevant notice of redemption and (B) if Securities of the series are issuable as Bearer Securities, the day of the first publication of the relevant notice of redemption or, if Securities of the series are also issuable as Registered Securities and there is no publication, the mailing of the relevant notice of redemption, or (ii) to register the transfer of or exchange any Registered Security so selected for redemption, in whole or in part, except the unredeemed portion of any Registered Security being redeemed in part, or (iii) to exchange any Bearer Security so selected for redemption, except that such a Bearer Security may be exchanged for a Registered Security of that series and like tenor, terms and principal amount, provided that such Registered Security shall be simultaneously surrendered for redemption.

#### SECTION 306. Mutilated, Destroyed, Lost and Stolen Securities and Coupons.

If any mutilated Security or a Security with a mutilated coupon appertaining thereto is surrendered to the Trustee, the Company shall execute, and the Trustee shall authenticate and deliver in exchange therefor, a new Security of the same series of like tenor and principal amount and bearing a number not contemporaneously outstanding, with coupons corresponding to the coupons, if any, appertaining to the surrendered Security.

If there shall be delivered to the Company and the Trustee (i) evidence to their satisfaction of the destruction, loss or theft of any Security or coupon and (ii) such security or indemnity as may be required by them to save each of them and any agent of either of them harmless, then, in the absence of notice to the Company or the Trustee that such Security or coupon has been acquired by a bona fide purchaser, the Company shall execute, and upon its request the Trustee shall authenticate and deliver, in lieu of any such destroyed, lost or stolen Security or in exchange for the Security to which a destroyed, lost or stolen coupon appertains (with all appurtenant coupons not destroyed, lost

or stolen), a new Security of the same series and of like tenor and principal amount and bearing a number not contemporaneously outstanding, with coupons corresponding to the coupons, if any, appertaining to such destroyed, lost or stolen Security or to the Security to which such destroyed, lost or stolen coupon appertains.

In case any such mutilated, destroyed, lost or stolen Security or coupon has become or is about to become due and payable, the Company in its discretion may, instead of issuing a new Security, pay such Security or coupon; provided, however, that principal of and any interest on Bearer Securities shall, except as otherwise provided in Section 1002, be payable only at an office or agency located outside the United States and, unless otherwise specified as contemplated by Section 301, any interest on Bearer Securities shall be payable only upon presentation and surrender of the coupons appertaining thereto.

Upon the issuance of any new Security under this Section, the Company may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the fees and expenses of the Trustee) connected therewith.

Every new Security of any series issued pursuant to this Section in lieu of any destroyed, lost or stolen Security or in exchange for a Security to which a destroyed, lost or stolen coupon appertains, shall constitute an original additional contractual obligation of the Company, whether or not the destroyed, lost or stolen Security and its coupons, if any, or the destroyed, lost or stolen coupon shall be at any time enforceable by anyone, and any such new Security and coupons, if any, shall be entitled to all the benefits of this Indenture equally and proportionately with any and all other Securities of that issue and their coupons, if any, duly issued hereunder.

The provisions of this Section are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement or payment of mutilated, destroyed, lost or stolen Securities or coupons.

#### SECTION 307. Payment of Interest; Interest Rights Preserved.

Unless otherwise provided as contemplated by Section 301 with respect to any series of Securities, interest on any Registered Security which is payable, and is punctually paid or duly provided for, on any Interest Payment Date shall be paid to the Person in whose name that Security (or one or more Predecessor Securities) is registered at the close of business on the Regular Record Date for such interest. In case a Bearer Security of any series is surrendered in exchange for a Registered Security of such series after the close of business (at an office or agency in a Place of Payment for such series) on any Regular Record Date and before the opening of business (at such office or agency) on the next succeeding Interest Payment Date, such Bearer Security shall be surrendered without the coupon relating to such Interest Payment Date, and interest will not be payable on such Interest Payment Date in respect of the Registered Security issued in exchange for



such Bearer Security, but will be payable only to the Holder of such coupon when due in accordance with the provisions of this Indenture.

Any interest on any Registered Security of any series which is payable, but is not punctually paid or duly provided for, on any Interest Payment Date (herein called "Defaulted Interest") shall forthwith cease to be payable to the Holder on the relevant Regular Record Date by virtue of having been such Holder, and such Defaulted Interest may be paid by the Company, at its election in each case, as provided in Clause (1) or (2) below:

(1) The Company may elect to make payment of any Defaulted Interest to the Persons in whose names the Securities of such series (or their respective Predecessor Securities) are registered at the close of business on a Special Record Date for the payment of such Defaulted Interest, which shall be fixed in the following manner. The Company shall notify the Trustee in writing of the amount of Defaulted Interest proposed to be paid on each Registered Security and the date of the proposed payment, and at the same time the Company shall deposit with the Trustee an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Trustee for such deposit prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the Persons entitled to such Defaulted Interest as in this Clause provided. Thereupon the Trustee shall fix a Special Record Date for the payment of such Defaulted Interest, which shall be not more than 15 days and not less than 10 days prior to the date of the proposed payment and not less than 10 days after the receipt by the Trustee of the notice of the proposed payment. The Trustee shall promptly notify the Company of such Special Record Date and, in the name and at the expense of the Company, shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first-class postage prepaid, to each Holder of Registered Securities, at his address as it appears in the Security Register, not less than 10 days prior to such Special Record Date. Notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor having been so mailed, such Defaulted Interest shall be paid to the Persons in whose names the Securities (or their respective Predecessor Securities) are registered at the close of business on such Special Record Date and shall no longer be payable pursuant to the following Clause (2).

(2) The Company may make payment of any Defaulted Interest on the Registered Securities in any other lawful manner not inconsistent with the requirements of any securities exchange on which such Registered Securities may be listed, and upon such notice as may be required by such exchange, if, after notice given by the Company to the Trustee of the proposed payment pursuant to this Clause, such manner of payment shall be deemed practicable by the Trustee.

Subject to the foregoing provisions of this Section and Section 305, each Security delivered under this Indenture upon registration of transfer of, or in exchange for or in lieu of, any other

Security shall carry the rights to interest accrued and unpaid, and to accrue, which were carried by such other Security.

#### SECTION 308. Persons Deemed Owners.

Prior to due presentment of a Registered Security for registration of transfer, the Company, the Trustee and any agent of the Company or the Trustee may treat the Person in whose name such Registered Security is registered as the owner of such Registered Security for the purpose of receiving payment of principal of and (except as otherwise specified as contemplated by Section 301 and subject to Section 305 and Section 307) interest on such Registered Security and for all other purposes whatsoever, whether or not such Registered Security be overdue, and neither the Company, the Trustee nor any agent of the Company or the Trustee shall be affected by notice to the contrary.

Title to any Bearer Security and any coupons appertaining thereto shall pass by delivery. The Company, the Trustee and any agent of the Company or the Trustee may treat the bearer of any Bearer Security and the bearer of any coupon as the absolute owner of such Bearer Security or coupon, as the case may be, for the purpose of receiving payment thereof or on account thereof and for all other purposes whatsoever, whether or not such Bearer Security or coupon be overdue, and neither the Company, the Trustee nor any agent of the Company or the Trustee shall be affected by notice to the contrary.

None of the Company, the Trustee, any Paying Agent or the Security Registrar will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests of a Security in global form or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

#### SECTION 309. Cancellation.

All Securities and coupons surrendered for payment, redemption, registration of transfer or exchange or for credit against any sinking fund payment shall, if surrendered to any Person other than the Trustee, be delivered to the Trustee. All Registered Securities and matured coupons so delivered shall be promptly cancelled by the Trustee. All Bearer Securities and unmatured coupons so delivered shall be held by the Trustee and, upon instruction by a Company Order, shall be cancelled or held for reissuance. Bearer Securities and unmatured coupons held for reissuance may be reissued only in replacement of mutilated, lost, stolen or destroyed Bearer Securities of the same series and like tenor and terms or the related coupons pursuant to Section 306. All Bearer Securities and unmatured coupons held by the Trustee pending such cancellation or reissuance shall be deemed to be delivered for cancellation for all purposes of this Indenture and the Securities. The Company may at any time deliver to the Trustee for cancellation any Securities previously authenticated and delivered hereunder which the Company may have acquired in any manner whatsoever (including Securities received by the Company in exchange or payment for other securities of the Company), and may deliver to the Trustee (or to any other Person for delivery to the Trustee) for cancellation any Securities previously authenticated hereunder which the Company has not issued and sold, and

all Securities so delivered shall be promptly cancelled by the Trustee. No Securities shall be authenticated in lieu of or in exchange for any Securities cancelled as provided in this Section, except as expressly permitted in the form of Securities for any particular series or as permitted pursuant to the terms of this Indenture. All cancelled Securities and coupons held by the Trustee may be disposed of and certification of their disposition delivered to the Company, unless by a Company Order the Company shall direct that such Securities be returned to it. Any cancelled Securities not disposed of shall be returned to the Company.

#### SECTION 310. Computation of Interest.

Except as otherwise specified as contemplated by Section 301 for Securities of any series, (i) interest on any Securities which bear interest at a fixed rate shall be computed on the basis of a 360-day year of twelve 30-day months and (ii) interest on any Securities which bear interest at a variable rate shall be computed on the basis of the actual number of days in an interest period divided by 360.

### ARTICLE FOUR

#### Satisfaction and Discharge

#### SECTION 401. Satisfaction and Discharge of Indenture.

Except as otherwise specified as contemplated by Section 301, this Indenture, upon a Company Request, shall cease to be of further effect as to all Outstanding Securities or all Outstanding Securities of any series, as the case may be (except as to (i) remaining rights of registration of transfer, substitution and exchange of Securities or Securities of such series, as the case may be, (ii) rights hereunder of Holders to receive payment of principal of and interest on all Outstanding Securities or all Outstanding Securities of such series, as the case may be, at the Stated Maturity thereof or, if any such Securities have been or, pursuant to clause (1)(B)(ii) of this Section 401, are to be called for redemption, at the applicable Redemption Date thereof and any other rights of the Holders of all Outstanding Securities or all Outstanding Securities of such series, as the case may be, as beneficiaries hereof with respect to the amounts deposited with the Trustee under this Section 401, (iii) the rights and the obligations of the Company or the Trustee under Sections 304, 305, 306, 1002 and 1003 and the immunities of the Trustee hereunder and the obligations of the Company to the Trustee under Section 607 and (iv) the obligation, if any, of the Company to pay additional amounts in respect of any such Securities as contemplated by Sections 301 and 1011, all of which shall survive), and the Company shall be deemed to have paid and discharged its entire indebtedness on all the Outstanding Securities or all Outstanding Securities of such series, as the case may be, and the Trustee, at the expense of the Company, shall execute proper instruments acknowledging satisfaction and discharge of the Company's obligations under this Indenture, when

(1) either

(A) all Outstanding Securities or all Outstanding Securities of such series, as the case may be, theretofore authenticated and delivered, and all coupons, if any, appertaining thereto (other than (i) coupons appertaining to Bearer Securities surrendered for exchange for Registered Securities and maturing after such exchange, whose surrender is not required or has been waived as provided in Section 305, (ii) Securities or Securities of such series, as the case may be, and coupons, if any, which have been destroyed, lost or stolen and which have been replaced or paid as provided in Section 306, (iii) coupons, if any, appertaining to Securities or Securities of such series, as the case may be, called for redemption and maturing after the relevant Redemption Date, whose surrender has been waived as provided in Section 1106, and (iv) Securities or Securities of such series, as the case may be, and coupons, if any, for whose payment money has theretofore been deposited in trust or segregated and held in trust by the Company and thereafter repaid to the Company or discharged from such trust, as provided in Section 1003) have been delivered to the Trustee for cancellation; or

(B) the Company has irrevocably deposited or caused to be deposited with the Trustee, under the terms of an irrevocable trust agreement in form and substance satisfactory to the Trustee, as trust funds in trust solely for the benefit of the Holders of all Outstanding Securities, or the Holders of all Outstanding Securities of such series, as the case may be, money or direct non-callable obligations of, or non-callable obligations timely payments of which are guaranteed by, the United States of America, for the payment of which guarantee or obligation the full faith and credit of the United States is pledged ("U.S. Government Obligations"), maturing as to principal and interest in such amounts and at such times as are sufficient, without consideration of any reinvestment of such principal or interest, to pay and discharge at Stated Maturity or, in the case of any such Securities which have been or, pursuant to clause (ii) below, are to be called for redemption, on the relevant Redemption Date, as the case may be, all principal of and interest on all Outstanding Securities or all Outstanding Securities of such series, as the case may be. Such irrevocable trust agreement shall instruct the Trustee (i) to apply such money or the proceeds of said U.S. Government Obligations to the payment of said principal of and interest on the Securities or Securities of such series, as the case may be; and (ii) if the Securities or Securities of such series, as the case may be, are to be repaid at a Redemption Date and the Company has not given notice of redemption pursuant to Section 1104 (including where such Securities are not yet redeemable at the date of deposit) to give notice of redemption on such Redemption Date pursuant to Section 1104;

(2) the Company has paid or caused to be paid all other sums payable hereunder by the Company with respect to the Securities or Securities of such series, as the case may be; and

(3) the Company has delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that all conditions precedent herein provided for relating to the satisfaction and discharge of this Indenture with respect to the Securities or the Securities of such series, as the case may be, and the payment or discharge of the entire indebtedness on all Securities or Securities of such series, as the case may be, have been complied with.

Notwithstanding any such satisfaction and discharge, the Company shall not be discharged from any payment obligations in respect of the Securities or the Securities of such series, as the case may be, which are deemed not to be Outstanding under Clause (iii) of the definition of "Outstanding" if such obligations continue to be valid obligations of the Company under applicable law.

#### SECTION 402. Application of Trust Money.

All money and U.S. Government Obligations (or any other obligations specified as contemplated by Section 301 with respect to any series of Securities, the principal of or any interest on which is payable other than in the currency of the United States of America) deposited with the Trustee pursuant to the trust agreement referred to in Section 401 shall be held in trust and applied by it, in accordance with the provisions of the Securities of the series with respect to which such deposit is made, this Indenture and such trust agreement, to the payment, either directly or through any Paying Agent (other than the Company) as the Trustee may determine, of the principal and interest amounts due at the Stated Maturity or the Redemption Date, as the case may be, with respect to the Securities of such series to the Persons entitled thereto.

All money and U.S. Government Obligations (or any other obligations specified as contemplated by Section 301 with respect to any series of Securities, the principal of or any interest on which is payable other than in the currency of the United States of America) so deposited which remain unclaimed for two years after payment to such Persons has become due and payable shall be turned over to the Company in accordance with the provisions of Section 1003.

### ARTICLE FIVE

#### Remedies

#### SECTION 501. Events of Default.

"Event of Default," wherever used herein, means, with respect to each series of the Securities individually, any one of the following events (whatever the reason for such Event of Default and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body):

(1) default in the payment of any installment of interest upon any Security of such series when it becomes due and payable, and continuance of such default for a period of 30 days; provided, however, that a valid extension of an interest payment period by the Company in accordance with the terms of the Securities of such series shall not constitute a default in the payment of interest for this purpose; or

(2) default in the payment of the principal of any Security of such series at its Maturity; or

(3) default in the performance, or breach, of any covenant or warranty of the Company in this Indenture (other than a covenant or warranty a default in whose performance or whose breach is elsewhere in this Section specifically dealt with or which has been expressly included in this Indenture solely for the benefit of a series of Securities other than such series), and continuance of such default or breach for a period of 90 days after there has been given, by registered or certified mail, to the Company by the Trustee or to the Company and the Trustee by the Holders of at least 25% in principal amount of the Outstanding Securities of such series a written notice specifying such default or breach and requiring it to be remedied and stating that such notice is a "Notice of Default" hereunder; or

(4) the entry of a decree or order by a court having jurisdiction in the premises adjudging the Company a bankrupt or insolvent, or approving as properly filed a petition seeking reorganization, arrangement, adjustment or composition of or in respect of the Company under Federal bankruptcy law or any other applicable Federal or State law, or appointing a receiver, liquidator, assignee, trustee, sequestrator or other similar official of the Company or of any substantial part of its property, or ordering the winding up or liquidation of its affairs, and the continuance of any such decree or order unstayed and in effect for a period of 60 consecutive days; or

(5) the institution by the Company of proceedings to be adjudicated a bankrupt or insolvent, or the consent by it to the institution of bankruptcy or insolvency proceedings against it, or the filing by it of a petition or answer or consent seeking reorganization or relief under Federal bankruptcy law or any other applicable Federal or state law, or the consent by it to the filing of such petition or to the appointment of a receiver, liquidator, assignee, trustee, sequestrator or similar official of the Company or of any substantial part of its property, or the making by it of an assignment for the benefit of creditors, or the admission by it in writing of its inability to pay its debts generally as they become due, or the taking of corporate action by the Company in furtherance of any such action; or

(6) any other event designated as an "Event of Default" with respect to Securities of that series.

SECTION 502. Acceleration of Maturity; Rescission and Annulment.

If an Event of Default with respect to Securities of any series at the time Outstanding occurs and is continuing, then and in every such case the Trustee or the Holders of not less than 25% in principal amount of the Outstanding Securities of that series may declare the principal amount (or, if any of the Securities of that series are Discount Securities, such portion of the principal amount of such Securities as may be specified in the terms thereof) of and accrued interest, if any, on all of the Securities of that series to be due and payable immediately, by a notice in writing to the Company (and to the Trustee if given by Holders), and upon any such declaration such principal (or portion thereof) and accrued interest, if any, shall become immediately due and payable.

At any time after such a declaration of acceleration with respect to Securities of any series has been made and before a judgment or decree for payment of the money due has been obtained by the Trustee as hereinafter in this Article provided, the Holders of a majority in principal amount of the Outstanding Securities of that series, by written notice to the Company and the Trustee, may rescind and annul such declaration and its consequences if:

(1) the Company has paid or deposited with the Trustee a sum sufficient to pay

(A) all overdue installments of interest on all Securities of such series;

(B) the principal of any Securities of such series which have become due otherwise than by such declaration of acceleration and interest thereon at the rate or rates prescribed therefor in such Securities;

(C) to the extent that payment of such interest is lawful, interest upon overdue installments of interest at the rate or rates prescribed therefor in such Securities or, if no such rate or rates is prescribed therefor in such Securities, at the rate of interest borne by such Securities; and

(D) all sums paid or advanced by the Trustee hereunder and the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel and any other amount due the Trustee under Section 607;

and

(2) all Events of Default with respect to Securities of such series, other than the non-payment of the principal of and interest on Securities of such series which have become due solely by such declaration of acceleration, have been cured or waived as provided in Section 513.

No such rescission shall affect any subsequent default or impair any right consequent thereon.

SECTION 503. Collection of Indebtedness and Suits for Enforcement by Trustee.

The Company covenants that if:

(1) default is made in the payment of any installment of interest on any Security when such interest becomes due and payable and such default continues for a period of 30 days, or

(2) default is made in the payment of the principal of any Security at the Maturity thereof,

the Company will, upon demand of the Trustee, pay to it, for the benefit of the Holders of such Securities, the whole amount then due and payable on such Securities for principal and interest, with interest upon the overdue principal and, to the extent that payment of such interest shall be legally enforceable, upon overdue installments of interest from the date such interest was due, at the rate or rates prescribed therefor in such Securities or, if no such rate or rates is prescribed therefor in such Securities, at the rate of interest borne by such Securities; and, in addition thereto, such further amount as shall be sufficient to cover the costs and expenses of collection, including the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel and any other amount due the Trustee under Section 607.

If the Company fails to pay such amounts forthwith upon such demand, the Trustee, in its own name and as trustee of an express trust, may institute a judicial proceeding for the collection of the sums so due and unpaid, may prosecute such proceeding to judgment or final decree and may enforce the same against the Company or any other obligor upon such Securities and collect the moneys adjudged or decreed to be payable in the manner provided by law out of the property of the Company or any other obligor upon such Securities, wherever situated.

If an Event of Default with respect to Securities of any series occurs and is continuing, the Trustee may, in its discretion, proceed to protect and enforce its rights and the rights of the Holders of Securities of such series by such appropriate judicial proceedings as the Trustee shall deem most effectual to protect and enforce any such rights, whether for the specific enforcement of any covenant or agreement in this Indenture or in aid of the exercise of any power granted herein, or to enforce any other proper remedy.

SECTION 504. Trustee May File Proofs of Claim.

In case of the pendency of any receivership, insolvency, liquidation, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceeding relative to the Company or any other obligor upon the Securities or the property of the Company or of such other obligor or their creditors, the Trustee (irrespective of whether the principal of the Securities shall then be due and payable as therein expressed or by declaration or otherwise and irrespective of



whether the Trustee shall have made any demand on the Company for the payment of overdue principal or interest) shall be entitled and empowered, by intervention in such proceeding or otherwise,

(i) to file and prove a claim for the whole amount of principal and interest owing and unpaid in respect of the Securities and to file such other papers or documents as may be necessary or advisable in order to have the claims of the Trustee (including any claim for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel and any other amount due the Trustee under Section 607) and of the Holders of Securities and coupons allowed in such judicial proceeding, and

(ii) to collect and receive any moneys or other property payable or deliverable on any such claims and to distribute the same;

and any receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Holder of Securities and coupons to make such payments to the Trustee and, in the event that the Trustee shall consent to the making of such payments directly to the Holders of Securities and coupons, to pay to the Trustee any amount due it for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, and any other amounts due the Trustee under Section 607.

Nothing herein contained shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Holder of a Security or coupon any plan of reorganization, arrangement, adjustment or composition affecting the Securities or coupons or the rights of any Holder thereof, or to authorize the Trustee to vote in respect of the claim of any Holder of a Security or coupon in any such proceeding.

SECTION 505. Trustee May Enforce Claims Without Possession of Securities or Coupons.

All rights of action and claims under this Indenture or the Securities or coupons may be prosecuted and enforced by the Trustee without the possession of any of the Securities or coupons or the production thereof in any proceeding relating thereto, and any such proceeding instituted by the Trustee shall be brought in its own name as trustee of an express trust, and any recovery of judgment shall, after provision for the payment of the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, be for the ratable benefit of the Holders of the Securities and coupons in respect of which such judgment has been recovered.

SECTION 506. Application of Money Collected.

Any money collected by the Trustee pursuant to this Article shall be applied in the following order, at the date or dates fixed by the Trustee, and, in case of the distribution of such money on account of principal or interest, upon presentation of the Securities or coupons, or both, as the case

may be, and the notation thereon of the payment if only partially paid and upon surrender thereof if fully paid:

First: To the payment of all amounts due the Trustee under Section 607;

Second: To holders of Senior Indebtedness as provided in Article Fourteen;

Third: To the payment of the amounts then due and unpaid for principal of and interest on the Securities and interest evidenced by coupons in respect of which or for the benefit of which such money has been collected, ratably, without preference or priority of any kind, according to the amounts due and payable on such Securities and coupons for principal and interest, respectively; and

Fourth: To the payment of the remainder, if any, to the Company.

#### SECTION 507. Limitation on Suits.

No Holder of any Security of any series or any related coupons shall have any right to institute any proceeding, judicial or otherwise, with respect to this Indenture, or for the appointment of a receiver or trustee, or for any other remedy hereunder, unless:

(1) such Holder has previously given written notice to the Trustee of a continuing Event of Default with respect to the Securities of that series;

(2) the Holders of not less than 25% in principal amount of the Outstanding Securities of that series shall have made written request to the Trustee to institute proceedings in respect of such Event of Default in its own name as Trustee hereunder;

(3) such Holder or Holders have offered to the Trustee reasonable indemnity against the costs, expenses and liabilities to be incurred in compliance with such request;

(4) the Trustee for 60 days after its receipt of such notice, request and offer of indemnity has failed to institute any such proceeding; and

(5) no direction inconsistent with such written request has been given to the Trustee during such 60-day period by the Holders of a majority in principal amount of the Outstanding Securities of that series;

it being understood and intended that no one or more Holders shall have any right in any manner whatever by virtue of, or by availing of, any provision of this Indenture to affect, disturb or prejudice the rights of any other Holders, or to obtain or to seek to obtain priority or preference over any other Holders or to enforce any right under this Indenture, except in the manner herein provided and for the equal and ratable benefit of all the Holders.

SECTION 508. Unconditional Right of Holders to Receive Principal and Interest.

Notwithstanding any other provision in this Indenture, the Holder of any Security or coupon shall have the right, which is absolute and unconditional, subject to Article Fourteen, to receive payment of the principal of and (subject to Section 307) interest on such Security or payment of such coupon on the Stated Maturities or Maturities expressed in such Security or coupon (or, in the case of redemption, on the Redemption Date or, in the case of redemption or repurchase by the Company at the option of the Holder, on the date fixed for such redemption or repurchase, as the case may be) and to institute suit for the enforcement of any such payment and such rights shall not be impaired without the consent of such Holder.

SECTION 509. Restoration of Rights and Remedies.

If the Trustee or any Holder of a Security or coupon has instituted any proceeding to enforce any right or remedy under this Indenture and such proceeding has been discontinued or abandoned for any reason, or has been determined adversely to the Trustee or to such Holder, then and in every such case, subject to any determination in such proceeding, the Company, the Trustee and the Holders of Securities and coupons shall be restored severally and respectively to their former positions hereunder and thereafter all rights and remedies of the Trustee and the Holders shall continue as though no such proceeding had been instituted.

SECTION 510. Rights and Remedies Cumulative.

Except as otherwise provided with respect to the replacement or payment of mutilated, destroyed, lost or stolen Securities or coupons in the last paragraph of Section 306, no right or remedy herein conferred upon or reserved to the Trustee or to the Holders of Securities or coupons is intended to be exclusive of any other right or remedy, and every right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

SECTION 511. Delay or Omission Not Waiver.

No delay or omission of the Trustee or of any Holder of any Security or coupon to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right and remedy given by this Article or by law to the Trustee or to the Holders of Securities or coupons may be exercised from time to time, and as often as may be deemed expedient, by the Trustee or by the Holders of Securities or coupons, as the case may be.

SECTION 512. Control by Holders of Securities.

The Holders of a majority in principal amount of the Outstanding Securities of any series shall have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or exercising any trust or power conferred on the Trustee with respect to the Securities of such series; provided that

(1) such direction shall not be in conflict with any rule of law or with this Indenture,

(2) the Trustee shall not have determined that the action so directed would be unjustly prejudicial to the Holders not taking part in such direction, and

(3) the Trustee may take any other action deemed proper by the Trustee which is not inconsistent with such direction.

SECTION 513. Waiver of Past Defaults.

The Holders of not less than a majority in principal amount of the Outstanding Securities of any series, by notice to the Trustee (and without notice to any other Holder), may on behalf of the Holders of all the Securities of such series and any related coupons waive any past default hereunder and its consequences, except a default

(1) in the payment of the principal of or interest on any Security of such series, or

(2) in respect of a covenant or provision hereof which under Article Nine cannot be modified or amended without the consent of the Holder of each Outstanding Security of such series affected.

Upon any such waiver, such default shall cease to exist, and any Event of Default arising therefrom shall be deemed to have been cured, for every purpose of this Indenture; but no such waiver shall extend to any subsequent or other default or impair any right consequent thereon.

SECTION 514. Undertaking for Costs.

All parties to this Indenture agree, and each Holder of any Security by his acceptance thereof shall be deemed to have agreed, that any court may in its discretion require, in any suit for the enforcement of any right or remedy under this Indenture, or in any suit against the Trustee for any action taken, suffered or omitted by it as Trustee, the filing by any party litigant in such suit of an undertaking to pay the costs of such suit, and that such court may in its discretion assess reasonable costs, including reasonable attorneys' fees and expenses, against any party litigant in such suit,

having due regard to the merits and good faith of the claims or defenses made by such party litigant; but the provisions of this Section shall not apply to any suit instituted by the Trustee, to any suit instituted by any Holder, or group of Holders, holding in the aggregate more than 10% in principal amount of the Outstanding Securities of any series, or to any suit instituted by any Holder of any Security or coupon for the enforcement of the payment of the principal of or interest on any Security or the payment of any coupon on or after the Stated Maturity or Maturities expressed in such Security or coupon (or, in the case of redemption, on or after the Redemption Date or, in the case of redemption or repurchase by the Company at the option of the Holder, on the date fixed for such redemption or repurchase, as the case may be).

SECTION 515. Waiver of Usury, Stay or Extension Laws.

The Company covenants (to the extent that it may lawfully do so) that it will not at any time voluntarily (and that it will resist any effort to make it do so involuntarily) insist upon, or plead, or in any manner whatsoever claim or take the benefit or advantage of, any usury, stay or extension law wherever enacted, now or at any time hereafter in force, which may affect the covenants or the performance of this Indenture or the Securities; and the Company (to the extent that it may lawfully do so) hereby expressly waives all benefit or advantage of any such law and covenants that it will not hinder, delay or impede the execution of any power herein granted to the Trustee, but will suffer and permit the execution of every such power as though no such law had been enacted.

ARTICLE SIX

The Trustee

SECTION 601. Certain Duties and Responsibilities.

(a) Except during the continuance of an Event of Default,

(1) the Trustee undertakes to perform such duties and only such duties as are specifically set forth in this Indenture, and no implied covenants or obligations shall be read into this Indenture against the Trustee; and

(2) in the absence of bad faith on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture; but in the case of any such certificates or opinions which by any provision hereof are specifically required to be furnished to the Trustee, the Trustee shall be under a duty to examine the same to determine whether or not they conform to the requirements of this Indenture.

(b) In case an Event of Default has occurred and is continuing with respect to the Securities of any series, the Trustee shall exercise such of the rights and powers vested in it by this

Indenture with respect to the Securities of such series, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of his own affairs.

(c) No provision of this Indenture shall be construed to relieve the Trustee from liability for its own negligent action, its own negligent failure to act, or its own willful misconduct, except that:

(1) this Subsection shall not be construed to limit the effect of Subsection (a) of this Section;

(2) the Trustee shall not be liable for any error of judgment made in good faith by a Responsible Officer, unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts; and

(3) the Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Holders of a majority in principal amount of the Outstanding Securities of any series relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under this Indenture with respect to the Securities of such series.

(d) No provision of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

(e) Whether or not therein expressly so provided, every provision of this Indenture relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of this Section.

#### SECTION 602. Notice of Defaults.

Within 90 days after the occurrence of any default hereunder with respect to the Securities of any series, the Trustee shall transmit, in the manner and to the extent provided in Section 703(b), notice of such default hereunder known to the Trustee, unless such default shall have been cured or waived; provided, however, that, except in the case of a default in the payment of the principal of or interest on any Security of such series or in the payment of any sinking fund installment with respect to any Security of such series, the Trustee shall be protected in withholding such notice if and so long as the board of directors, the executive committee or a trust committee of directors or Responsible Officers of the Trustee in good faith determine that the withholding of such notice is in the interest of the Holders of Securities of such series; and provided, further, that, in the case of

any default of the character specified in Section 501(3), no such notice to Holders shall be given until at least 60 days after the occurrence thereof. For the purpose of this Section, the term "default" means any event which is, or after notice or lapse of time or both would become, an Event of Default with respect to Securities of such series.

SECTION 603. Certain Rights of Trustee.

Except as otherwise provided in Section 601:

(a) the Trustee may rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, note or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties;

(b) any request or direction of the Company mentioned herein shall be sufficiently evidenced by a Company Request or Company Order and any resolution of the Board of Directors may be sufficiently evidenced by a Board Resolution;

(c) whenever in the administration of this Indenture the Trustee shall deem it desirable that a matter be proved or established prior to taking, suffering or omitting any action hereunder, the Trustee (unless other evidence be herein specifically prescribed) may, in the absence of bad faith on its part, rely upon an Officers' Certificate;

(d) the Trustee may consult with counsel and the written advice of such counsel or any Opinion of Counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by it hereunder in good faith and in reliance thereon;

(e) the Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request or direction of any of the Holders of Securities of any series or any related coupons pursuant to this Indenture, unless such Holders shall have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities which might be incurred by it in compliance with such request or direction;

(f) the Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, note or other paper or document, but the Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit, and, if the Trustee shall determine to make such further inquiry or investigation, it shall be entitled to examine the books, records and premises of the Company, personally or by agent or attorney;

(g) the Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys and the Trustee shall not

be responsible for any misconduct or negligence on the part of any agent or attorney appointed with due care by it hereunder; and

(h) the Trustee shall not be liable for any action taken or omitted by it in good faith and believed by it to be authorized or within the discretion or rights or powers conferred upon it by this Indenture.

SECTION 604. Not Responsible for Recitals or Issuance of Securities.

The recitals contained herein and in the Securities, except the Trustee's certificates of authentication, and in any coupons shall be taken as the statements of the Company, and the Trustee assumes no responsibility for their correctness. The Trustee makes no representations as to the validity or sufficiency of this Indenture or of the Securities or coupons. The Trustee shall not be accountable for the use or application by the Company of Securities or the proceeds thereof.

SECTION 605. May Hold Securities.

The Trustee, any Paying Agent, any Security Registrar or any other agent of the Company, in its individual or any other capacity, may become the owner or pledgee of Securities or coupons and, subject to Sections 608 and 612, may otherwise deal with the Company with the same rights it would have if it were not Trustee, Paying Agent, Security Registrar or such other agent.

SECTION 606. Money Held in Trust.

Money held by the Trustee in trust hereunder need not be segregated from other funds except to the extent required by law. The Trustee shall be under no liability for interest on any money received by it hereunder except as otherwise agreed with the Company.

SECTION 607. Compensation and Reimbursement.

The Company agrees

(1) to pay to the Trustee from time to time reasonable compensation for all services rendered by it hereunder (which compensation shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust);

(2) except as otherwise expressly provided herein, to reimburse the Trustee upon its request for all reasonable expenses, disbursements and advances incurred or made by the Trustee in accordance with any provision of this Indenture (including the reasonable compensation and the expenses and disbursements of its agents and counsel), except any such expense, disbursement or advance as may be attributable to its negligence or bad faith; and



(3) to indemnify the Trustee for, and to hold it harmless against, any loss, liability or expense incurred without negligence or bad faith on its part, arising out of or in connection with the acceptance or administration of this trust, including the costs and expenses of defending itself against any claim or liability in connection with the exercise or performance of any of its powers or duties hereunder. The Company's payment obligations pursuant to this Section 607 shall survive the discharge or other termination of this Indenture or the resignation or removal of the Trustee.

As security for the performance of the obligations of the Company under this Section, the Trustee shall have a lien prior to the Securities and any coupons upon all property and funds held or collected by the Trustee as such, except funds held in trust for the payment of principal of or interest on particular Securities or for the payment of particular coupons.

SECTION 608. Corporate Trustee Required; Eligibility.

There shall at all times be a Trustee hereunder, which shall be a corporation organized and doing business under the laws of the United States of America, any State thereof or the District of Columbia, authorized under such laws to exercise corporate trust powers, having a combined capital and surplus of at least \$50,000,000, and subject to supervision or examination by Federal or State authority. If such corporation publishes reports of condition at least annually, pursuant to law or to the requirements of said supervising or examining authority, then for the purposes of this Section, the combined capital and surplus of such corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. If at any time the Trustee shall cease to be eligible in accordance with the provisions of this Section, it shall resign immediately in the manner and with the effect hereinafter specified in this Article. The Trustee shall comply with Trust Indenture Act Sections 310(a)(5) and 310(b).

SECTION 609. Resignation and Removal; Appointment of Successor.

(a) No resignation or removal of the Trustee and no appointment of a successor Trustee pursuant to this Article shall become effective until the acceptance of appointment by the successor Trustee under Section 610.

(b) The Trustee may resign at any time with respect to the Securities of one or more series by giving written notice thereof to the Company. If an instrument of acceptance by a successor Trustee shall not have been delivered to the Trustee within 30 days after the giving of such notice of resignation, the resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor Trustee with respect to the Securities of such issue.

(c) The Trustee may be removed at any time with respect to the Securities of any series by Act of the Holders of a majority in principal amount of the Outstanding Securities of such series, delivered to the Trustee and to the Company.

(d) If at any time:

(1) the Trustee shall fail to comply with the last sentence of Section 608 after written request therefor by the Company or by any Holder who has been a bona fide Holder of a Security for at least six months (or such shorter period as the Securities have been outstanding), or

(2) the Trustee shall cease to be eligible under Section 608 and shall fail to resign after written request therefor by the Company or by any such Holder, or

(3) the Trustee shall become incapable of acting or shall be adjudged a bankrupt or insolvent or a receiver of the Trustee or of its property shall be appointed or any public officer shall take charge or control of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation,

then, in any such case, (i) the Company, by a Board Resolution, may remove the Trustee with respect to all Securities, or (ii) subject to Section 514, any Holder who has been a bona fide Holder of a Security for at least six months (or such shorter period as the Securities have been outstanding) may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the removal of the Trustee with respect to all Securities and the appointment of a successor Trustee or Trustees.

(e) If the Trustee shall resign, be removed or become incapable of acting, or if a vacancy shall occur in the office of Trustee for any cause, with respect to the Securities of one or more series, the Company, by a Board Resolution, shall promptly appoint a successor Trustee or Trustees with respect to the Securities of that or those series (it being understood that any such successor Trustee may be appointed with respect to the Securities of one or more or all of such series and that at any time there shall be only one Trustee with respect to the Securities of any particular series). If, within one year after such resignation, removal or incapability, or the occurrence of such vacancy, a successor Trustee with respect to the Securities of any series shall be appointed by Act of the Holders of a majority in principal amount of the Outstanding Securities of such series delivered to the Company and the retiring Trustee, the successor Trustee so appointed shall, forthwith upon its acceptance of such appointment, become the successor Trustee with respect to the Securities of such series and supersede the successor Trustee appointed by the Company. If no successor Trustee with respect to the Securities of any series shall have been so appointed by the Company or the Holders and accepted appointment in the manner hereinafter provided, any Holder who has been a bona fide Holder of a Security of such series for at least six months (or such shorter period as the Securities have been outstanding) may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the appointment of a successor Trustee with respect to the Securities of such series.

(f) The Company shall give notice of each resignation and each removal of the Trustee with respect to the Securities of any series and each appointment of a successor Trustee with respect

to the Securities of any series in the manner provided in Section 106. Each notice shall include the name of the successor Trustee and the address of its Corporate Trust Office.

SECTION 610. Acceptance of Appointment by Successor.

(a) In case of the appointment hereunder of a successor Trustee with respect to all Securities, every such successor Trustee appointed shall execute, acknowledge and deliver to the Company and to the retiring Trustee an instrument accepting such appointment, and thereupon the resignation or removal of the retiring Trustee shall become effective and such successor Trustee, without any further act, deed or conveyance, shall become vested with all the rights, powers, trusts and duties of the retiring Trustee; but, on request of the Company or the successor Trustee, such retiring Trustee shall, upon payment of its charges, execute and deliver an instrument transferring to such successor Trustee all the rights, powers and trusts of the retiring Trustee and shall duly assign, transfer and deliver to such successor Trustee all property and money held by such retiring Trustee hereunder, subject nevertheless to its lien, if any, provided for in Section 607.

(b) In case of the appointment hereunder of a successor Trustee with respect to the Securities of one or more (but not all) series, the Company, the retiring Trustee and each successor Trustee with respect to the Securities of one or more series shall execute and deliver an indenture supplemental hereto, wherein each successor Trustee shall accept such appointment and which (1) shall contain such provisions as shall be necessary or desirable to transfer and confirm to, and to vest in, each successor Trustee all the rights, powers, trusts and duties of the retiring Trustee with respect to the Securities of that or those series to which the appointment of such successor Trustee relates, (2) if the retiring Trustee is not retiring with respect to all Securities, shall contain such provisions as shall be deemed necessary or desirable to confirm that all the rights, powers, trusts and duties of the retiring Trustee with respect to the Securities of that or those series as to which the retiring Trustee is not retiring shall continue to be vested in the retiring Trustee, and (3) shall add to or change any of the provisions of this Indenture as shall be necessary to provide for or facilitate the administration of the trusts hereunder by more than one Trustee, it being understood that nothing herein or in such supplemental indenture shall constitute such Trustees as co-trustees of the same trust and that each such Trustee shall be trustee of a trust or trusts hereunder separate and apart from any trust or trusts hereunder administered by any other such Trustee; and, upon the execution and delivery of such supplemental indenture, the resignation or removal of the retiring Trustee shall become effective to the extent provided therein and each such successor Trustee, without any further act, deed or conveyance, shall become vested with all the rights, powers, trusts and duties of the retiring Trustee with respect to the Securities of that or those series to which the appointment of such successor Trustee relates; but, on request of the Company or any successor Trustee, such retiring Trustee shall duly assign, transfer and deliver to such successor Trustee all property and money held by such retiring Trustee hereunder with respect to the Securities of that or those series to which the appointment of such successor Trustee relates, subject, nevertheless, to its lien, if any, provided for in Section 607.

(c) Upon request of any such successor Trustee, the Company shall execute any and all instruments for more fully and certainly vesting in and confirming to such successor Trustee all such rights, powers and trusts referred to in paragraph (a) or (b) of this Section.

(d) No successor Trustee shall accept its appointment unless at the time of such acceptance such successor Trustee shall be qualified and eligible under this Article.

#### SECTION 611. Merger, Conversion, Consolidation or Succession to Business.

Any corporation into which the Trustee may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Trustee shall be a party, or any corporation succeeding to all or substantially all the corporate trust business of the Trustee, shall be the successor of the Trustee hereunder, provided such corporation shall be otherwise qualified and eligible under this Article, without the execution or filing of any paper or any further act on the part of any of the parties hereto. In case any Securities shall have been authenticated, but not delivered, by the Trustee then in office, any successor by merger, conversion or consolidation to such authenticating Trustee may adopt such authentication and deliver the Securities so authenticated with the same effect as if such successor Trustee had itself authenticated such Securities.

#### SECTION 612. Preferential Collection of Claims Against Company.

The Trustee shall comply with Trust Indenture Act Section 311(a), excluding any creditor relationship listed in Trust Indenture Act Section 311(b). A Trustee who has resigned or been removed shall be subject to Trust Indenture Act Section 311(a) to the extent indicated therein.

### ARTICLE SEVEN

#### Holder's Lists and Reports by Trustee and Company

#### SECTION 701. Company to Furnish Trustee Names and Addresses of Holders.

The Company will furnish or cause to be furnished to the Trustee:

(a) semiannually, not later than June 30 and December 31 in each year, a list, in such form as the Trustee may reasonably require, containing all the information in the possession or control of the Company, or any of its Paying Agents other than the Trustee, as to the names and addresses of the Holders of Securities as of the preceding June 15 or December 15, as the case may be, and

(b) at such other times as the Trustee may request in writing, within 30 days after the receipt by the Company of any such request, a list of similar form and content as of a date not more than 15 days prior to the time such list is furnished;

excluding from any such list names and addresses received by the Trustee in its capacity as Security Registrar.

#### SECTION 702. Preservation of Information; Communications to Holders.

(a) The Trustee shall preserve, in as current a form as is reasonably practicable, the names and addresses of Holders of Securities (i) contained in the most recent list furnished to the Trustee as provided in Section 701, (ii) received by the Trustee in its capacity as Security Registrar and (iii) filed with it within the two preceding years pursuant to Section 703(b)(2). The Trustee may (i) destroy any list furnished to it as provided in Section 701 upon receipt of a new list so furnished, (ii) destroy any information received by it as Paying Agent (if so acting) hereunder upon delivering to itself as Trustee, not earlier than August 15 or February 15, a list containing the names and addresses of the Holders of Securities obtained from such information since the delivery of the next previous list, if any, (iii) destroy any list delivered to itself as Trustee which was compiled from information received by it as Paying Agent (if so acting) hereunder upon the receipt of a new list so delivered, and (iv) destroy not earlier than two years after filing, any information filed with it pursuant to Section 703(b)(2).

(b) Holders may communicate pursuant to Trust Indenture Act Section 312(b) with other Holders with respect to their rights under this Indenture or the Securities. The Company, the Trustee, the Security Registrar, the Paying Agent and any other person shall have the protection of Trust Indenture Act Section 312(c).

#### SECTION 703. Reports by Trustee.

(a) Within 60 days after May 15 of each year, commencing with the year 1998, the Trustee shall transmit to all Holders of Securities a brief report dated as of such May 15 that complies with Trust Indenture Act Section 313(a), if such report is required by such Section 313(a). The Trustee also shall comply with Trust Indenture Act Sections 313(b) and (c).

(b) A copy of each such report shall, at the time of such transmission to Holders of Securities, be filed by the Trustee with each stock exchange upon which any Securities are listed, with the Commission and with the Company. The Company will notify the Trustee when any Securities are listed on any stock exchange or of any delisting thereof.

#### SECTION 704. Reports by Company.

The Company shall:

(1) file with the Trustee, within 15 days after the Company is required to file the same with the Commission, copies of the annual reports and of the information, documents and other reports (or copies of such portions of any of the foregoing as the Commission may

from time to time by rules and regulations prescribe) which the Company may be required to file with the Commission pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934; or, if the Company is not required to file information, documents or reports pursuant to either of said Sections, then it shall file with the Trustee and the Commission, in accordance with rules and regulations prescribed from time to time by the Commission, such of the supplementary and periodic information, documents and reports which may be required pursuant to Section 13 of the Securities Exchange Act of 1934 in respect of a security listed and registered on a national securities exchange as may be prescribed from time to time in such rules and regulations;

(2) file with the Trustee and the Commission, in accordance with rules and regulations prescribed from time to time by the Commission, such additional information, documents and reports with respect to compliance by the Company with the conditions and covenants of this Indenture as may be required from time to time by such rules and regulations; and

(3) transmit, within 30 days after the filing thereof with the Trustee, to the Holders of Securities, in the manner and to the extent provided in Section 703(b) with respect to reports under Section 703(a), copies or such summaries of any information, documents and reports required to be filed by the Company pursuant to paragraphs (1) and (2) of this Section as may be required by rules and regulations prescribed from time to time by the Commission.

#### ARTICLE EIGHT

##### Consolidation, Merger, Conveyance, Transfer or Lease

##### SECTION 801. Company May Consolidate, Etc., Only on Certain Terms.

The Company shall not consolidate with or merge into any other corporation or convey, transfer or lease its properties and assets substantially as an entirety to any Person, unless:

(1) the corporation formed by such consolidation or into which the Company is merged or the Person that acquires by conveyance or transfer, or which leases, the properties and assets of the Company substantially as an entirety shall be a corporation or other Person organized and existing under the laws of the United States of America, any State thereof or the District of Columbia and shall expressly assume, by an indenture supplemental hereto, executed and delivered to the Trustee, in form satisfactory to the Trustee, the due and punctual payment of the principal of and interest on all the Securities and any coupons appertaining thereto and the performance of every covenant of this Indenture and the Securities on the part of the Company to be performed or observed;

(2) immediately after giving effect to such transaction, no Event of Default, and no event which, after notice or lapse of time or both, would become an Event of Default, shall have happened and be continuing; and

(3) the Company has delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that such consolidation, merger, conveyance, transfer or lease and such supplemental indenture comply with this Article and that all conditions precedent herein provided for relating to such transaction have been complied with.

#### SECTION 802. Successor Corporation Substituted.

Upon any consolidation with or merger by the Company into any other corporation or any conveyance, transfer or lease of the properties and assets of the Company substantially as an entirety to any Person in accordance with Section 801, the successor corporation formed by such consolidation or into which the Company is merged or the Person to which such conveyance, transfer or lease is made shall succeed to, and be substituted for, and may exercise every right and power of, the Company under this Indenture with the same effect as if such successor corporation or other Person had been named as the Company herein, and thereafter, except in the case of a lease to another Person, the predecessor Person shall be relieved of all obligations and covenants under this Indenture, the Securities and coupons.

### ARTICLE NINE

#### Supplemental Indentures

#### SECTION 901. Supplemental Indentures Without Consent of Holders.

Without the consent of any Holders of Securities or coupons, the Company, when authorized by a Board Resolution, and the Trustee, at any time and from time to time, may enter into one or more indentures supplemental hereto, in form satisfactory to the Trustee, for any of the following purposes:

(1) to evidence the succession of another Person to the Company and the assumption by any such successor of the covenants of the Company herein and in the Securities pursuant to Article Eight;

(2) to add to the covenants, agreements and obligations of the Company for the benefit of the Holders of all of the Securities or any series thereof, or to surrender any right or power herein conferred upon the Company;

(3) to add to or change any of the provisions of this Indenture to provide that Bearer Securities may be registrable as to principal, to change or eliminate any restrictions (including restrictions relating to payment in the United States) on the payment of principal

of or any premium or interest, if any, on Bearer Securities, to permit Bearer Securities to be issued in exchange for Registered Securities, to permit Bearer Securities to be issued in exchange for Bearer Securities of other authorized denominations or to permit the issuance of Securities in uncertificated form; or

(4) to establish the form or terms of Securities of any series and any related coupons, as permitted by Sections 201 and 301, respectively; or

(5) to evidence and provide for the acceptance of appointment hereunder by a successor Trustee with respect to the Securities of one or more series and to add to or change any of the provisions of this Indenture as shall be necessary to provide for or facilitate the administration of the trusts hereunder by more than one Trustee, pursuant to the requirements of Section 610(b); or

(6) to cure any ambiguity, to correct or supplement any provision herein which may be inconsistent with any other provision herein, or to make any other provisions with respect to matters or questions arising under this Indenture; or

(7) to add to, change or eliminate any of the provisions of this Indenture (which addition, change or elimination may apply to one or more series of Securities), provided that any such addition, change or elimination shall neither (A) apply to any Security of any series created prior to the execution of such supplemental indenture and entitled to the benefit of such provision nor (B) modify the rights of the Holder of any such Security with respect to such provision; or

(8) to secure the Securities; or

(9) to make any other change that does not adversely affect the rights of any Holder.

#### SECTION 902. Supplemental Indentures with Consent of Holders.

With the consent of the Holders of not less than a majority in principal amount of the Outstanding Securities of each series affected by such supplemental indenture, by Act of said Holders delivered to the Company and the Trustee, the Company, when authorized by a Board Resolution, and the Trustee may enter into an indenture or indentures supplemental hereto for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Indenture or of modifying in any manner the rights of the Holders of the Securities of such series and any related coupons under this Indenture; provided, however, that no such supplemental indenture shall, without the consent of the Holder of each Outstanding Security affected thereby:

(1) change the Stated Maturity of the principal of, or any installment of principal or interest on, any such Security, or reduce the principal amount thereof or the rate of interest



thereon or any premium payable thereon, or reduce the amount of principal of any such Discount Security that would be due and payable upon a declaration of acceleration of maturity thereof pursuant to Section 502, or change the Place of Payment where, or coin or currency in which, any principal of, or any installment of interest on, any such Security is payable, or impair the right to institute suit for the enforcement of any such payment on or after the Stated Maturity thereof (or, in the case of redemption, on or after the Redemption Date or, in the case of Securities which are subject to repurchase or redemption by the Company at the option of the Holders, on or after the date fixed for such repurchase or redemption);

(2) reduce the percentage in principal amount of the Outstanding Securities of any series, the consent of whose Holders is required for any such supplemental indenture, or the consent of whose Holders is required for any waiver (of compliance with certain provisions of this Indenture or certain defaults hereunder and their consequences) with respect to the Securities of such series provided for in this Indenture; or

(3) make any change in the terms of the subordination of the Securities in a manner adverse to the Holders of any series of outstanding Securities; or

(4) modify any of the provisions of this Section, Section 513 or Section 1010, except to increase any such percentage or to provide that certain other provisions of this Indenture cannot be modified or waived without the consent of the Holder of each Outstanding Security affected thereby.

A supplemental indenture which changes or eliminates any covenant or other provision of this Indenture which has expressly been included solely for the benefit of one or more particular series of Securities, or which modifies the rights of the Holders of Securities of such series with respect to such covenant or other provision, shall be deemed not to affect the rights under this Indenture of the Holders of Securities of any other series.

It shall not be necessary for any Act of Holders under this Section to approve the particular form of any proposed supplemental indenture, but it shall be sufficient if such Act shall approve the substance thereof.

#### SECTION 903. Execution of Supplemental Indentures.

In executing, or accepting the additional trusts created by, any supplemental indenture permitted by this Article or the modifications thereby of the trusts created by this Indenture, the Trustee shall be entitled to receive, and (subject to Section 601) shall be fully protected in relying upon, an Opinion of Counsel stating that the execution of such supplemental indenture is authorized or permitted by this Indenture. The Trustee may, but shall not be obligated to, enter into any such supplemental indenture which affects the Trustee's own rights, duties, liabilities or immunities under this Indenture or otherwise.

SECTION 904. Effect of Supplemental Indentures.

Upon the execution of any supplemental indenture under this Article, this Indenture shall be modified in accordance therewith, and such supplemental indenture shall form a part of this Indenture for all purposes; and every Holder of Securities theretofore or thereafter authenticated and delivered hereunder and of any coupons appertaining thereto shall be bound thereby.

SECTION 905. Conformity with Trust Indenture Act.

Every supplemental indenture executed pursuant to this Article shall conform to the requirements of the Trust Indenture Act as then in effect.

SECTION 906. Reference in Securities to Supplemental Indentures.

Securities of any series authenticated and delivered after the execution of any supplemental indenture pursuant to this Article may, and shall if required by the Trustee, bear a notation in form approved by the Trustee as to any matter provided for in such supplemental indenture. If the Company shall so determine, new Securities of any series so modified as to conform, in the opinion of the Trustee and the Company, to any such supplemental indenture may be prepared and executed by the Company and authenticated and delivered by the Trustee in exchange for Outstanding Securities of such series.

ARTICLE TEN

Covenants

SECTION 1001. Payment of Principal and Interest.

The Company covenants and agrees for the benefit of each series of Securities that it will duly and punctually pay the principal of and any interest on the Securities of that series in accordance with the terms of the Securities, any coupons appertaining thereto and this Indenture. An installment of principal or interest on the Securities shall be considered paid on the date it is due if the Trustee or a Paying Agent (other than the Company or an Affiliate of the Company) holds on that date funds (in the currency or currencies of payment with respect to such Securities) designated for and sufficient to pay such installment. Unless otherwise specified as contemplated by Section 301 with respect to any series of Securities, any interest due on Bearer Securities on or before Maturity shall be payable only upon presentation and surrender of the several coupons for such interest installments as are evidenced thereby as they severally mature. At the Company's option, payment of principal or interest may be made by check or by transfer to an account maintained by the payee (provided, in the case of Registered Securities, the Trustee has received written payment instructions at least fifteen days prior to any payment date) subject, in the case of Bearer Securities, to the provisions of Section 1002.

SECTION 1002. Maintenance of Office or Agency.

If Securities of a series are issuable only as Registered Securities, the Company will maintain in each Place of Payment for such series an office or agency where Securities of that series may be presented or surrendered for payment, where Securities of that series may be surrendered for registration of transfer or exchange and where notices and demands to or upon the Company in respect of the Securities of that series and this Indenture may be served. If Securities of a series are issuable as Bearer Securities, the Company will maintain (A) in the Borough of Manhattan, The City of New York, an office or agency where any Registered Securities of that series may be presented or surrendered for payment, where any Registered Securities of that series may be surrendered for registration of transfer, where Securities of that series may be surrendered for exchange, where notices and demands to or upon the Company in respect of the Securities of that series and this Indenture may be served and where Bearer Securities of that series and related coupons may be presented or surrendered for payment in the circumstances described in the following paragraph (and not otherwise); (B) subject to any laws or regulations applicable thereto, in a Place of Payment for that series which is located outside the United States, an office or agency where Securities of that series and related coupons may be presented and surrendered for payment (including payment of any additional amounts payable on Securities of that series pursuant to Section 1011); provided, however, that, if the Securities of that series are listed on The London Stock Exchange, the Luxembourg Stock Exchange or any other stock exchange located outside the United States and such stock exchange shall so require, the Company will maintain a Paying Agent for the Securities of that series in London, Luxembourg or any other required city located outside the United States, as the case may be, so long as the Securities of that series are listed on such exchange; and (C) subject to any laws or regulations applicable thereto, in a Place of Payment for that series which is located outside the United States, an office or agency where any Registered Securities of that series may be surrendered for registration of transfer, where Securities of that series may be surrendered for exchange and where notices and demands to or upon the Company in respect of the Securities of that series and this Indenture may be served. The Company will give prompt written notice to the Trustee and the Holders of the location, and any change in the location, of any such office or agency. If at any time the Company shall fail to maintain any such required office or agency in respect of any series of Securities, or shall fail to furnish the Trustee with the address thereof, such presentations and surrenders of Securities of that series may be made, and notices and demands may be made or served, at the Corporate Trust Office of the Trustee, except that Bearer Securities of that series and the related coupons may be presented and surrendered for payment (including payment of any additional amounts payable on Bearer Securities of that series pursuant to Section 1011) at the place specified for that purpose as contemplated by Section 301 or, if no such place is specified, at the main office of the Trustee in London, and the Company hereby appoints the same as its agent to receive such respective presentations, surrenders, notices and demands.

No payment of principal or interest on Bearer Securities shall be made at any office or agency of the Company in the United States, by check mailed to any address in the United States, by transfer to an account located in the United States or upon presentation or surrender in the United States of

a Bearer Security or coupon for payment, even if the payment would be credited to an account located outside the United States; provided, however, that, if the Securities of a series are denominated and payable in Dollars, payment of principal of and any interest on any such Bearer Security (including any additional amounts payable on Securities of such series pursuant to Section 1011) shall be made at the office of the Company's Paying Agent in the Borough of Manhattan, The City of New York, if (but only if) payment in Dollars of the full amount of such principal, interest or additional amounts, as the case may be, at all offices or agencies outside the United States maintained for the purpose by the Company in accordance with this Indenture is illegal or effectively precluded by exchange controls or other similar restrictions.

The Company may also from time to time designate one or more other offices or agencies where the Securities of one or more series may be presented or surrendered for any or all such purposes and may from time to time rescind such designations; provided, however, that no such designation or rescission shall in any manner relieve the Company of its obligation to maintain an office or agency in accordance with the requirements set forth above for Securities of any series for such purposes. The Company will give prompt written notice to the Trustee of any such designation or rescission and of any change in the location of any such other office or agency.

Unless otherwise specified pursuant to Section 301 with respect to the Securities of any series, the Trustee shall be a Paying Agent and Transfer Agent for the Securities of such series (until replaced or removed by the Company in accordance with this Indenture), and the office or agency of the Company maintained in the Borough of Manhattan, The City of New York in respect of the Securities of such series for the purposes contemplated by this Section 1002 shall be the Corporate Trust Office of the Trustee located in the Borough of Manhattan, The City of New York.

#### SECTION 1003. Money for Security Payments to Be Held in Trust.

If the Company shall at any time act as its own Paying Agent with respect to any series of the Securities, it will, on or before each due date of the principal of or interest on any of the Securities of that series, segregate and hold in trust for the benefit of the Persons entitled thereto a sum sufficient to pay the principal or interest so becoming due until such sums shall be paid to such Persons or otherwise disposed of as herein provided and will promptly notify the Trustee of its action or failure so to act.

Whenever the Company shall have one or more Paying Agents for any series of the Securities, it will, on or prior to each due date of the principal of or interest on any Securities of that series, deposit with a Paying Agent a sum sufficient to pay the principal or interest so becoming due, such sum to be held in trust for the benefit of the Persons entitled to such principal or interest, and (unless such Paying Agent is the Trustee) the Company will promptly notify the Trustee of its action or failure so to act.

The Company will cause each Paying Agent for any series of Securities (other than the Trustee) to execute and deliver to the Trustee an instrument in which such Paying Agent shall agree with the Trustee, subject to the provisions of this Section, that such Paying Agent will:

(1) hold all sums held by it for the payment of the principal of or interest on Securities of such series in trust for the benefit of the Persons entitled thereto until such sums shall be paid to such Persons or otherwise disposed of as herein provided;

(2) give the Trustee notice of any default by the Company (or any other obligor upon the Securities of such series) in the making of any payment of principal or interest on the Securities of such series; and

(3) at any time during the continuance of any such default, upon the written request of the Trustee, forthwith pay to the Trustee all sums so held in trust by such Paying Agent.

The Company may at any time, for the purpose of obtaining the satisfaction and discharge of this Indenture or for any other purpose, pay, or by Company Order direct any Paying Agent to pay, to the Trustee all sums held in trust by the Company or such Paying Agent, such sums to be held by the Trustee upon the same trusts as those upon which such sums were held by the Company or such Paying Agent; and, upon such payment by any Paying Agent to the Trustee, such Paying Agent shall be released from all further liability with respect to such money.

Any money deposited with the Trustee or any Paying Agent or then held by the Company, in trust for the payment of the principal of or interest on any Security of any series and remaining unclaimed for two years after such principal or interest has become due and payable shall be paid to the Company on Company Request, or (if then held by the Company) shall be discharged from such trust; and the Holder of such Security or any coupon appertaining thereto shall thereafter, as an unsecured general creditor, look only to the Company for payment thereof, and all liability of the Trustee or such Paying Agent with respect to such trust money, and all liability of the Company as trustee thereof, shall thereupon cease; provided, however, that the Trustee or such Paying Agent, before being required to make any such repayment, may at the expense and direction of the Company cause to be published once, in an Authorized Newspaper in each Place of Payment, notice that such money remains unclaimed and that, after a date specified therein, which shall not be less than 30 days from the date of such publication, any unclaimed balance of such money then remaining will be repaid to the Company.

#### SECTION 1004. Corporate Existence.

Subject to Article Eight, the Company will do or cause to be done all things necessary to preserve and keep in full force and effect its corporate existence, rights (charter and statutory) and franchises; provided, however, that the Company shall not be required to preserve any such right or franchise if the Board of Directors shall determine that the preservation thereof is no longer desirable

in the conduct of the business of the Company and that the loss thereof is not disadvantageous in any material respect to the Holders.

SECTION 1005. (Intentionally Omitted).

SECTION 1006. (Intentionally Omitted).

SECTION 1007. (Intentionally Omitted).

SECTION 1008. (Intentionally Omitted).

SECTION 1009. Statement by Officer as to Compliance; Notice of Certain Events.

The Company will deliver to the Trustee, within 120 days after the end of each fiscal year of the Company ending after the date hereof, a brief certificate, signed by the principal executive officer, the principal financial officer or the principal accounting officer of the Company, as to the signer's knowledge of the Company's compliance with all conditions and covenants under this Indenture. For purposes of this Section 1009, such compliance shall be determined without regard to any period of grace or requirement of notice provided under any of the provisions of this Indenture. The Company's fiscal year ends on December 31 of each year. The Company will notify the Trustee in the event that such fiscal year changes. The Company will deliver to the Trustee, within 20 days after the occurrence thereof, notice of each acceleration which, with giving of notice by the Trustee or Holders and the lapse of time, would be an Event of Default within the meaning of Section 501(4).

SECTION 1010. Waiver of Certain Covenants.

The Company may omit in any particular instance to comply with any covenant or condition set forth in Section 1004 or 1011 with respect to the Securities of any series, if before or after the time for such compliance the Holders of at least a majority in principal amount of the Outstanding Securities of such series shall, by Act of such Holders, either waive such compliance in such instance or generally waive compliance with such covenant or condition, but no such waiver shall extend to or affect such covenant or condition except to the extent so expressly waived, and, until such waiver shall become effective, the obligations of the Company and the duties of the Trustee in respect of any such covenant or condition shall remain in full force and effect.

SECTION 1011. Additional Amounts.

If specified as contemplated by Section 301, the Securities of a series may provide for the payment of additional amounts, and in such case, the Company will pay to the Holder of any Security of such series or any coupon appertaining thereto additional amounts as provided therein. Whenever in this Indenture there is mentioned, in any context, the payment of the principal of or any interest on, or in respect of, any Security of any series or payment of any related coupon, such

mention shall be deemed to include mention of the payment of additional amounts provided for in this Section to the extent that, in such context, additional amounts are, were or would be payable in respect thereof pursuant to the provisions of this Section, and express mention of the payment of additional amounts (if applicable) in any provisions hereof shall not be construed as excluding additional amounts in those provisions hereof where such express mention is not made.

If the Securities of a series provide for the payment of additional amounts, at least 10 days prior to the first Interest Payment Date with respect to that series of Securities (or if the Securities of that series will not bear interest prior to Maturity, the first day on which a payment of principal is made), and at least 10 days prior to each date of payment of principal and any interest if there has been any change with respect to the matters set forth in the below-mentioned Officers' Certificate, the Company will furnish the Trustee and the Company's Paying Agent or Paying Agents, if other than the Trustee, with an Officers' Certificate instructing the Trustee and such Paying Agent or Paying Agents whether such payment of principal of and any interest on the Securities of that series shall be made to Holders of Securities of that series or any related coupons who are Non-United States Holders without withholding for or on account of any tax, assessment or other governmental charge described in the Securities of that series. If any such withholding shall be required, then such Officers' Certificate shall specify by country the amount, if any, required to be withheld on such payments to such Holders of Securities or coupons, and the Company will pay to the Trustee or such Paying Agent the additional amounts required by the Securities of such series and this Section. The Company covenants to indemnify the Trustee and any Paying Agent for, and to hold them harmless against, any loss, liability or expense reasonably incurred, without negligence or bad faith on their part, arising out of or in connection with actions taken or omitted by any of them in reliance on any Officers' Certificate furnished pursuant to this Section.

## ARTICLE ELEVEN

### Redemption of Securities

#### SECTION 1101. Applicability of Article.

Securities of any series which are redeemable before their Stated Maturity shall be redeemable in accordance with their terms and (except as otherwise specified as contemplated by Section 301 for Securities of any series) in accordance with this Article.

#### SECTION 1102. Election to Redeem; Notice to Trustee.

In the event that the Company elects to redeem Securities of any series, the Company shall, at least 60 days prior to the Redemption Date fixed by the Company (unless a shorter notice shall be satisfactory to the Trustee), notify the Trustee of such Redemption Date, of the principal amount of the Securities to be redeemed and of any other information necessary to identify the Securities of such series to be redeemed.

SECTION 1103. Selection by Trustee of Securities to be Redeemed.

Unless otherwise specified as contemplated by Section 301 with respect to any series of Securities, if less than all the Securities of any series with the same issue date, interest rate, Stated Maturity and other terms are to be redeemed, the particular Securities to be redeemed shall be selected not more than 60 days prior to the Redemption Date by the Trustee, from the Outstanding Securities of such series not previously called for redemption, by such method as the Trustee shall deem fair and appropriate, which method may provide for the selection for redemption of portions (equal to the minimum authorized denomination for Securities of that series or any integral multiple thereof) of the principal amount of Registered Securities of such series of a denomination larger than the minimum authorized denomination for Securities of that series.

The Trustee shall promptly notify the Company in writing of the Securities selected for redemption and, in the case of any Securities selected for partial redemption, the principal amount thereof to be redeemed.

For all purposes of this Indenture, unless the context otherwise requires, all provisions relating to the redemption of Securities shall relate, in the case of any Securities redeemed or to be redeemed only in part, to the portion of the principal amount of such Securities which has been or is to be redeemed.

SECTION 1104. Notice of Redemption.

Unless otherwise specified as contemplated by Section 301 with respect to any series of Securities, notice of redemption shall be given in the manner provided in Section 106 to the Holders of Securities to be redeemed not less than 30 nor more than 60 days prior to the Redemption Date.

All notices of redemption shall identify the Securities to be redeemed (including, if applicable, the CUSIP number thereof) and shall state:

(1) the Redemption Date;

(2) the Redemption Price;

(3) if fewer than all the Outstanding Securities of any series are to be redeemed, the identification (and, in the case of partial redemption, the principal amounts) of the particular Securities to be redeemed;

(4) that on the Redemption Date the Redemption Price will become due and payable upon each such Security (or portion thereof) to be redeemed, together with (if applicable) accrued and unpaid interest thereon and, if applicable, that interest thereon will cease to accrue on and after said date;



(5) the place or places where such Securities, together, in the case of Bearer Securities, with all coupons, if any, appertaining thereto maturing after the Redemption Date, are to be surrendered for payment of the Redemption Price; and

(6) that the redemption is for a sinking fund, if such is the case.

A notice of redemption published as contemplated by Section 106 need not identify particular Registered Securities to be redeemed.

Notice of redemption of Securities to be redeemed at the election of the Company shall be given by the Company or, at the Company's request, by the Trustee in the name and at the expense of the Company.

#### SECTION 1105. Deposit of Redemption Price.

On or prior to any Redemption Date, the Company shall deposit with the Trustee or with a Paying Agent (or, if the Company is acting as its own Paying Agent, segregate and hold in trust as provided in Section 1003) an amount of money sufficient to pay the Redemption Price of, and, if accrued and unpaid interest on the Securities (or portions thereof) to be redeemed is, pursuant to the terms of this Indenture or such Securities, payable to the Persons entitled to receive the Redemption Price thereof, accrued interest on, all the Securities which are to be redeemed on that date.

#### SECTION 1106. Securities Payable on Redemption Date.

Notice of redemption having been given as aforesaid, the Securities so to be redeemed shall, on the Redemption Date, become due and payable at the Redemption Price therein specified, and from and after such date (unless the Company shall default in the payment of the Redemption Price and accrued interest) such Securities shall cease to bear interest and the coupons for such interest appertaining to any Bearer Securities so to be redeemed, except to the extent provided below, shall be void. Upon surrender of any such Security for redemption in accordance with said notice, together with all coupons, if any, appertaining thereto maturing after the Redemption Date, such Security shall be paid by the Company at the Redemption Price, together with accrued interest to the Redemption Date; provided, however, that installments of interest on Bearer Securities whose Stated Maturity is on or prior to the Redemption Date shall be payable only at an office or agency located outside the United States (except as otherwise provided in Section 1002) and, unless otherwise specified as contemplated by Section 301, only upon presentation and surrender of coupons for such interest; and provided, further, that, unless otherwise specified as contemplated by Section 301, installments of interest on Registered Securities whose Stated Maturity is on or prior to the Redemption Date shall be payable to the Holders of such Securities, or one or more Predecessor Securities, registered as such at the close of business on the relevant Regular Record Dates according to their terms and the provisions of Sections 305 and 307.

If any Bearer Security surrendered for redemption shall not be accompanied by all appurtenant coupons maturing after the Redemption Date, such Security may be paid after deducting from the Redemption Price an amount equal to the face amount of all such missing coupons, or the surrender of such missing coupon or coupons may be waived by the Company and the Trustee if there be furnished to them such security or indemnity as they may require to save each of them and any Paying Agent harmless. If thereafter the Holder of such Security shall surrender to the Trustee or any Paying Agent any such missing coupon in respect of which a deduction shall have been made from the Redemption Price, such Holder shall be entitled to receive the amount so deducted; provided, however, that interest represented by coupons shall be payable only at an office or agency located outside the United States (except as otherwise provided in Section 1002) and, unless otherwise specified as contemplated by Section 301, only upon presentation and surrender of those coupons.

If any Security called for redemption shall not be so paid upon surrender thereof for redemption, the principal shall, until paid, bear interest from the Redemption Date at the rate prescribed therefor in the Security or, if no such rate is so prescribed, at the rate of interest borne by the Security.

#### SECTION 1107. Securities Redeemed in Part.

Any Registered Security which is to be redeemed only in part shall be surrendered at a Place of Payment therefor (with, if the Company or the Trustee so requires, due endorsement by, or a written instrument of transfer in form satisfactory to the Company and the Trustee duly executed by, the Holder thereof or his attorney duly authorized in writing), and the Company shall execute, and the Trustee shall authenticate and deliver to the Holder of such Security without service charge, a new Registered Security or Securities of the same series and of like tenor, of any authorized denomination as requested by such Holder, in aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Security so surrendered.

### ARTICLE TWELVE

#### Sinking Funds

#### SECTION 1201. Applicability of Article.

The provisions of this Article shall be applicable to any sinking fund for the retirement of Securities of a series, except as otherwise specified as contemplated by Section 301 for Securities of such series.

The minimum amount of any sinking fund payment provided for by the terms of Securities of any series is herein referred to as a "mandatory sinking fund payment," and any payment in excess of such minimum amount provided for by the terms of Securities of any series is herein referred to as an "optional sinking fund payment." If provided for by the terms of Securities of any series, the

cash amount of any sinking fund payment may be subject to reduction as provided in Section 1202. Each sinking fund payment shall be applied to the redemption of Securities of any series as provided for by the terms of Securities of such series.

SECTION 1202. Satisfaction of Sinking Fund Payments with Securities.

The Company (1) may deliver Outstanding Securities of a series with the same issue date, interest rate, and Stated Maturity and other terms (other than any previously called for redemption), together, in the case of any Bearer Securities of such series with the same issue date, interest rate, Stated Maturity and other terms, with all unmatured coupons appertaining thereto, and (2) may apply as a credit Securities of a series with the same issue date, interest rate, Stated Maturity and other terms which have been redeemed, either at the election of the Company pursuant to the terms of such Securities or through the application of permitted optional sinking fund payments pursuant to the terms of such Securities, in each case in satisfaction of all or any part of any mandatory sinking fund payment with respect to the Securities of such series with the same issue date, interest rate, Stated Maturity and other terms; provided that such Securities have not been previously so credited. Such Securities shall be received and credited for such purpose by the Trustee at the Redemption Price specified in such Securities for redemption through operation of the sinking fund and the amount of such sinking fund payment shall be reduced accordingly.

SECTION 1203. Redemption of Securities for Sinking Fund.

Not less than 60 days (or such shorter period as shall be acceptable to the Trustee) prior to each sinking fund payment date for any series of Securities, the Company will deliver to the Trustee an Officers' Certificate specifying the amount of the next ensuing sinking fund payment for that series pursuant to the terms of that series, the portion thereof, if any, which is to be satisfied by payment of cash and the portion thereof, if any, which is to be satisfied by delivering and crediting Securities of that series pursuant to Section 1202, and will also deliver to the Trustee any Securities to be so delivered. Not less than 30 days before each such sinking fund payment date, the Trustee shall select the Securities to be redeemed upon such sinking fund payment date in the manner specified in Section 1103 and cause notice of the redemption thereof to be given in the name of and at the expense of the Company in the manner provided in Section 1104. Such notice having been duly given, the redemption of such Securities shall be made upon the terms and in the manner stated in Sections 1106 and 1107.

ARTICLE THIRTEEN

Meetings of Holders of Securities

SECTION 1301. Purposes for Which Meetings May Be Called.

A meeting of Holders of Securities of any series may be called at any time and from time to time pursuant to this Article to make, give or take any request, demand, authorization, direction,

notice, consent, waiver or other action provided by this Indenture to be made, given or taken by Holders of Securities of such series.

#### SECTION 1302. Call, Notice and Place of Meetings.

(a) The Trustee may at any time call a meeting of Holders of Securities of any series for any purpose specified in Section 1301, to be held at such time and at such place in the Borough of Manhattan, The City of New York, or in London, as the Trustee shall determine or, with the approval of the Company, at any other place. Notice of every meeting of Holders of Securities of any series, setting forth the time and the place of such meeting and in general terms the action proposed to be taken at such meeting, shall be given, in the manner provided in Section 106, not less than 21 nor more than 180 days prior to the date fixed for the meeting.

(b) In case at any time the Company or the Holders of at least 10% in principal amount of the Outstanding Securities of any series shall have requested the Trustee to call a meeting of the Holders of Securities of such series for any purpose specified in Section 1301, by written request setting forth in reasonable detail the action proposed to be taken at the meeting, and the Trustee shall not have made the first publication of the notice of such meeting within 21 days after receipt of such request or shall not thereafter proceed to cause the meeting to be held as provided herein, then the Company or the Holders of Securities of such series in the amount above specified, as the case may be, may determine the time and the place in the Borough of Manhattan, The City of New York, or in London, or in such other place as shall be determined and approved by the Company, for such meeting and may call such meeting for such purposes by giving notice thereof as provided in Subsection (a) of this Section.

#### SECTION 1303. Persons Entitled to Vote at Meetings.

To be entitled to vote at any meeting of Holders of Securities of any series, a Person shall be (1) a Holder of one or more Outstanding Securities of such series or (2) a Person appointed by an instrument in writing as proxy for a Holder or Holders of one or more Outstanding Securities of such series by such Holder or Holders. The only Persons who shall be entitled to be present or to speak at any meeting of Holders of Securities of any series shall be the Persons entitled to vote at such meeting and their counsel, any representatives of the Trustee and its counsel and any representatives of the Company and its counsel.

#### SECTION 1304. Quorum; Action.

The Persons entitled to vote a majority in principal amount of the Outstanding Securities of a series shall constitute a quorum for a meeting of Holders of Securities of such series; provided, however, that if any action is to be taken at such meeting with respect to a consent or waiver which this Indenture expressly provides may be given by the Holders of a specified percentage, which is less than a majority, in principal amount of the Outstanding Securities of a series, the Persons entitled to vote such lesser percentage in principal amount of the Outstanding Securities of such

series shall constitute a quorum. In the absence of a quorum within 30 minutes of the time appointed for any such meeting, the meeting shall, if convened at the request of Holders of Securities of such series, be dissolved. In any other case, the meeting may be adjourned for a period determined by the chairman of the meeting prior to the adjournment of such meeting. In the absence of a quorum at any such adjourned meeting, such adjourned meeting may be further adjourned for a period determined by the chairman of the meeting prior to the adjournment of such adjourned meeting. Notice of the reconvening of any adjourned meeting shall be given as provided in Section 1302(a), except that such notice need be given only once not less than five days prior to the date on which the meeting is scheduled to be reconvened. Notice of the reconvening of an adjourned meeting shall state expressly the percentage, as provided above, of the principal amount of the Outstanding Securities of such series which shall constitute a quorum.

Except as limited by the proviso to Section 902, any resolution presented to a meeting or adjourned meeting duly reconvened at which a quorum is present, as aforesaid, may be adopted by the affirmative vote of the Holders of a majority in principal amount of the Outstanding Securities of that series; provided, however, that, except as limited by the proviso to Section 902, any resolution with respect to any request, demand, authorization, direction, notice, consent, waiver or other action which this Indenture expressly provides may be made, given or taken by the Holders of a specified percentage, which is less than a majority, in principal amount of the Outstanding Securities of a series may be adopted at a meeting or an adjourned meeting duly reconvened and at which a quorum is present, as aforesaid, by the affirmative vote of the Holders of such specified percentage in principal amount of the Outstanding Securities of that series.

Any resolution passed or decision taken at any meeting of Holders of Securities of any series duly held in accordance with this Section shall be binding on all the Holders of Securities of such series and the related coupons, whether or not present or represented at the meeting.

SECTION 1305. Determination of Voting Rights; Conduct and Adjournment of Meetings.

(a) Notwithstanding any other provisions of this Indenture, the Trustee may make such reasonable regulations as it may deem advisable for any meeting of Holders of Securities of a series in regard to proof of the holding of Securities of such series and of the appointment of proxies and in regard to the appointment and duties of inspectors of votes, the submission and examination of proxies, certificates and other evidence of the right to vote, and such other matters concerning the conduct of the meeting as it shall deem appropriate. Except as otherwise permitted or required by any such regulations, the holding of Securities shall be proved in the manner specified in Section 104 and the appointment of any proxy shall be proved in the manner specified in Section 104 or by having the signature of the person executing the proxy witnessed or guaranteed by any trust company, bank or banker authorized by Section 104 to certify to the holding of Bearer Securities. Such regulations may provide that written instruments appointing proxies, regular on their face, may be presumed valid and genuine without the proof specified in Section 104 or other proof.

(b) The Trustee shall, by an instrument in writing, appoint a temporary chairman of the meeting, unless the meeting shall have been called by the Company or by Holders of Securities as provided in Section 1302(b), in which case the Company or the Holders of Securities of the series calling the meeting, as the case may be, shall in like manner appoint a temporary chairman. A permanent chairman and a permanent secretary of the meeting shall be elected by vote of the Persons entitled to vote a majority in principal amount of the Outstanding Securities of such series represented at the meeting.

(c) At any meeting each Holder of a Security of such series or proxy shall be entitled to one vote for each \$1,000 principal amount of the Outstanding Securities of such series held or represented by him; provided, however, that no vote shall be cast or counted at any meeting in respect to any Security challenged as not Outstanding and ruled by the chairman of the meeting to be not Outstanding. The chairman of the meeting shall have no right to vote, except as a Holder of a Security of such series or proxy.

(d) Any meeting of Holders of Securities of any series duly called pursuant to Section 1302 at which a quorum is present may be adjourned from time to time by Persons entitled to vote a majority in principal amount of the Outstanding Securities of such series represented at the meeting; and the meeting may be held as so adjourned without further notice.

#### SECTION 1306. Counting Votes and Recording Action of Meetings.

The vote upon any resolution submitted to any meeting of Holders of Securities of any series shall be by written ballots on which shall be subscribed signatures of the Holders of Securities of such series or of their representatives by proxy and the principal amounts and serial numbers of the Outstanding Securities of such series held or represented by them. The permanent chairman of the meeting shall appoint two inspectors of votes, who shall count all votes cast at the meeting for or against any resolution and who shall make and file with the secretary of the meeting their verified written reports in duplicate of all votes cast at the meeting. A record, at least in duplicate, of the proceedings of each meeting of Holders of Securities of any series shall be prepared by the secretary of the meeting, and there shall be attached to said record the original reports of the inspectors of votes on any vote by ballot taken thereat and affidavits, signed by one or more persons having knowledge of the facts, setting forth a copy of the notice of the meeting and showing that said notice was given as provided in Section 1302 and, if applicable, Section 1304. Each copy shall be signed and verified by the affidavits of the permanent chairman and secretary of the meeting and one such copy shall be delivered to the Company and another to the Trustee, to be preserved by the Trustee, the latter to have attached thereto the ballots voted at the meeting. Any record so signed and verified shall be conclusive evidence of the matters therein stated.

ARTICLE FOURTEEN

SUBORDINATION

SECTION 1401. Securities Subordinate to Senior Indebtedness.

Unless otherwise specified as contemplated by Section 301, the Securities shall be subordinated to Senior Indebtedness as set forth in this Article Fourteen. The Company covenants and agrees, and each Holder of a Security of any series by such Holder's acceptance thereof likewise covenants and agrees, that, to the extent and in the manner hereinafter set forth in this Article Fourteen, the indebtedness represented by the Securities of such series and the payment of the principal amount, interest and such other amounts as provided for in Section 301, if any, in respect of each and all of the Securities of such series are hereby expressly made subordinate and subject in right of payment to the prior payment in full of all Senior Indebtedness; provided, however, that no provision of this Article Fourteen shall prevent the occurrence of any default or Event of Default hereunder.

"Senior Indebtedness" means the principal of (and premium, if any) and interest on (including interest accruing after the filing of a petition initiating any proceeding pursuant to any Federal bankruptcy law or any other applicable Federal or State law, but only to the extent allowed or permitted to the holder of such Indebtedness of the Company against the bankruptcy or any other insolvency estate of the Company in such proceeding) and other amounts due on or in connection with any Indebtedness of the Company incurred, assumed or guaranteed by the Company, whether outstanding on the date of the Indenture or thereafter incurred, assumed or guaranteed and all renewals, extensions and refundings of any such Indebtedness of the Company; provided, however, that the following will not constitute Senior Indebtedness:

(a) any Indebtedness of the Company as to which, in the instrument creating the same or evidencing the same or pursuant to which the same is outstanding, it is expressly provided that such Indebtedness of the Company shall be subordinated to or pari passu with the Securities;

(b) Indebtedness of the Company in respect of the Securities;

(c) any Indebtedness of the Company constituting trade accounts payable arising in the ordinary course of business;

(d) any Indebtedness of the Company initially issued to any other Oxy Capital Trust in connection with an issuance by such Oxy Capital Trust of preferred securities or other securities similar to preferred securities; and

(e) any Indebtedness of the Company to any Subsidiary of the Company.

SECTION 1402. Payment Over of Proceeds upon Dissolution, Etc.

Upon any distribution of assets of the Company in the event of:

(a) any insolvency or bankruptcy case or proceeding, or any receivership, liquidation, reorganization or other similar case or proceeding in connection therewith, relative to the Company or to its creditors, as such, or to its assets, or

(b) any liquidation, dissolution or other winding up of the Company, whether voluntary or involuntary and whether or not involving insolvency or bankruptcy, or

(c) any assignment for the benefit of creditors or any other marshalling of assets and liabilities of the Company,

then and in such event

(1) the holders of Senior Indebtedness shall be entitled to receive payment in full of all amounts due or to become due on or in respect of all Senior Indebtedness, or provision shall be made for such payment in cash, before the Holders of the Securities of any series are entitled to receive any payment on account of the principal amount, interest or such other amounts as may be provided for in Section 301, if any, in respect of the Securities of such series; and

(2) any payment or distribution of assets of the Company of any kind or character, whether in cash, property or securities, by set-off or otherwise, to which the Holders or the Trustee would be entitled but for the provisions of this Article Fourteen, including any such payment or distribution which may be payable or deliverable by reason of the payment of any other Indebtedness of the Company being subordinated to the payment of the Securities of such series, shall be paid by the liquidating trustee or agent or other person making such payment or distribution, whether a trustee in bankruptcy, a receiver or liquidating trustee or otherwise, directly to the holders of Senior Indebtedness or their representative or representatives or to the trustee or trustees under any indenture under which any instruments evidencing any of such Senior Indebtedness may have been issued, ratably according to the aggregate amounts remaining unpaid on account of the principal of, and premium, if any, and interest on the Senior Indebtedness held or represented by each, to the extent necessary to make payment in full of all Senior Indebtedness remaining unpaid, after giving effect to any concurrent payment or distribution to the holders of such Senior Indebtedness.

In the event that, notwithstanding the foregoing provisions of this Section 1402, the Trustee or the Holder of any Security of any series shall receive any payment or distribution of assets of the



Company of any kind or character, whether in cash, property or securities, including any such payment or distribution which may be payable or deliverable by reason of the payment of any other Indebtedness of the Company being subordinated to the payment of the Securities of such series, before all Senior Indebtedness is paid in full or payment thereof provided for, and if such fact shall then have been made known to the Trustee as provided in Section 1410, or, as the case may be, such Holder, then and in such event such payment or distribution shall be paid over or delivered forthwith to the trustee in bankruptcy, receiver, liquidating trustee, custodian, assignee, agent or other person making payment or distribution of assets of the Company for application to the payment of all Senior Indebtedness remaining unpaid, to the extent necessary to pay all Senior Indebtedness in full, after giving effect to any concurrent payment or distribution to or for the holders of Senior Indebtedness.

For purposes of this Article Fourteen only, the words "cash, property or securities," or any combination thereof, shall not be deemed to include shares of capital stock of the Company as reorganized or readjusted, or securities of the Company or any other corporation provided for by a plan of reorganization or readjustment the payment of which is subordinated, at least to the extent provided in this Article Fourteen with respect to the Securities, to the payment of all Senior Indebtedness which may at the time be outstanding; provided, however, that (i) Senior Indebtedness is assumed by the new corporation, if any, resulting from any such reorganization or readjustment, and (ii) the rights of the holders of the Senior Indebtedness are not, without the consent of such holders, altered, in any manner adverse to such holders, by such reorganization or readjustment.

The consolidation of the Company with, or the merger of the Company into, another corporation or the liquidation or dissolution of the Company following the conveyance or transfer of all or substantially all of its assets to another person upon the terms and conditions set forth in Article VIII shall not be deemed a dissolution, winding up, liquidation, reorganization, assignment for the benefit of creditors or marshalling of assets and liabilities of the Company for the purposes of this Section 1402 if the corporation formed by such consolidation or into which the Company is merged or the person which acquires by conveyance or transfer all or substantially all of the assets of the Company, as the case may be, shall, as a part of such consolidation, merger, conveyance or transfer, comply with the conditions set forth in Article VIII.

SECTION 1403. Prior Payment to Senior Indebtedness upon Acceleration of Securities.

In the event that any Securities of any series are declared due and payable before their Stated Maturity, then and in such event the holders of Senior Indebtedness shall be entitled to receive payment in full of all amounts due or to become due on or in respect of all Senior Indebtedness or provision shall be made for such payment in cash, before the Holders of the Securities of such series are entitled to receive any payment (including any payment which may be payable by reason of the payment of any other indebtedness of the Company being subordinated to the payment of the Securities of such series) by the Company on account of the principal of (or premium, if any) or interest or other amounts on Securities of such series or on account of the purchase or other acquisition of Securities of such series.

In the event that, notwithstanding the foregoing, the Company shall make any payment to the Trustee or the Holder of any Securities of any series prohibited by the foregoing provisions of this Section 1403, and if such facts then shall have been known or thereafter shall have been made known to the Trustee (as provided in Section 1410) or to such Holder, as the case may be, pursuant to the terms of this Indenture, then and in such event such payment shall be paid over and delivered forthwith to the Company by or on behalf of the person holding such payment for the benefit of the holders of Senior Indebtedness.

The provisions of this Section 1403 shall not apply to any payment with respect to which Section 1402 would be applicable.

SECTION 1404. Default in Senior Indebtedness.

In the event and during the continuation of any default by the Company in the payment of principal, premium, if any, interest or any other payment due on any Senior Indebtedness of the Company, as the case may be, beyond any applicable grace period with respect thereto, or in the event that the maturity of any Senior Indebtedness of the Company has been accelerated because of a default, then, in any such case, no payment shall be made by the Company with respect to the principal (including redemption payments, if any) of, premium, if any, or interest or other amounts on the Securities until such default is cured or waived or ceases to exist or any such acceleration or demand for payment has been rescinded.

SECTION 1405. Payment Permitted if No Default.

Nothing contained in this Article Fourteen or elsewhere in this Indenture or in any of the Securities shall prevent (a) the Company, at any time except during the pendency of any case, proceeding, dissolution, liquidation or other winding up, assignment for the benefit of creditors or other marshalling of assets and liabilities of the Company referred to in Section 1402 or under the conditions described in Sections 1403 or 1404, from making payments at any time of the principal amount, interest or such other amounts as may be provided for in Section 301, if any, as the case may be, in respect of the Securities, or (b) the application by the Trustee or the retention by any Holder of any money deposited with it hereunder to the payment of or on account of the principal amount, interest or such other amounts as may be provided for in Section 301, if any, as the case may be, in respect of the Securities if the Trustee did not have, at the time provided in the proviso to the first paragraph of Section 1410, notice that such payment would have been prohibited by the provisions of this Article Fourteen.

SECTION 1406. Subrogation Rights of Holders of Senior Indebtedness.

Subject to the payment in full of all Senior Indebtedness, the Holders of the Securities of any series shall be subrogated to the extent of the payments or distributions made to the holders of such Senior Indebtedness pursuant to the provisions of this Article Fourteen to the rights of the holders of such Senior Indebtedness to receive payments or distributions of cash, property or securities

applicable to the Senior Indebtedness until the principal amount, interest or such other amounts as provided for in Section 301, if any, as the case may be, in respect of the Securities of such series shall be paid in full. For purposes of such subrogation, no payments or distributions to the holders of the Senior Indebtedness of any cash, property or securities to which the Holders of the Securities of such series or the Trustee would be entitled except for the provisions of this Article Fourteen, and no payments pursuant to the provisions of this Article Fourteen to the Company or to the holders of Senior Indebtedness by Holders of the Securities of such series or the Trustee, shall, as between the Company, its creditors other than holders of Senior Indebtedness and the Holders of the Securities of such series, be deemed to be a payment or distribution by the Company to or on account of the Senior Indebtedness.

SECTION 1407. Provision Solely to Define Relative Rights.

The provisions of this Article Fourteen are and are intended solely for the purpose of defining the relative rights of the Holders of the Securities of any series, on one hand, and the holders of Senior Indebtedness, on the other hand. Nothing contained in this Article Fourteen or elsewhere in this Indenture or in the Securities of any series is intended to or shall:

(a) impair, as between the Company and the Holders of the Securities of such series, the obligation of the Company, which is absolute and unconditional, to pay to the Holders of the Securities of such series the principal amount, interest or such other amounts as may be provided for in Section 301, if any, as the case may be, in respect of the Securities of such series as and when the same shall become due and payable in accordance with the terms of the Securities of such series and this Indenture and which, subject to the rights under this Article Fourteen of the holders of Senior Indebtedness, is intended to rank equally with all other general obligations of the Company; or

(b) affect the relative rights against the Company of the Holders of the Securities of such series and creditors of the Company other than holders of Senior Indebtedness; or

(c) prevent the Trustee or the Holder of any Security of such series from exercising all remedies otherwise permitted by applicable law upon default under this Indenture, subject to the rights, if any, under this Article Fourteen of the holders of Senior Indebtedness to receive cash, property or securities otherwise payable or deliverable to the Trustee or such Holder.

SECTION 1408. Trustee to Effectuate Subordination.

Each Holder of a Security by such Holder's acceptance thereof authorizes and directs the Trustee on such Holder's behalf to take such action as may be necessary or appropriate to effectuate the subordination provided in this Article Fourteen and appoints the Trustee such Holder's attorney-in-fact for any and all such purposes.

SECTION 1409. No Waiver of Subordination Provisions.

No right of any present or future holder of any Senior Indebtedness to enforce subordination as herein provided shall at any time in any way be prejudiced or impaired by any act or failure to act on the part of the Company or by any act or failure to act, in good faith, by any such holder, or by any noncompliance by the Company with the terms, provisions and covenants of this Indenture, regardless of any knowledge thereof any such holder may have or be otherwise charged with.

Without in any way limiting the generality of the foregoing paragraph, the holders of Senior Indebtedness may, at any time and from time to time, without the consent of, or notice to, the Trustee or the Holders of the Securities of any series, without incurring responsibility to the Holders of the Securities of such series and without impairing or releasing the subordination provided in this Article Fourteen or the obligations hereunder of the Holders of the Securities of such series to the holders of Senior Indebtedness, do any one or more of the following: (i) change the manner, place or terms of payment or extend the time of payment of, or renew or alter, Senior Indebtedness, or otherwise amend or supplement in any manner Senior Indebtedness or any instrument evidencing the same or any agreement under which Senior Indebtedness is outstanding; (ii) sell, exchange, release or otherwise dispose of any property pledged, mortgaged or otherwise securing Senior Indebtedness; (iii) release any person liable in any manner for the collection of Senior Indebtedness and (iv) exercise or refrain from exercising any rights against the Company or any other person.

#### SECTION 1410. Notice to Trustee.

The Company shall give prompt written notice to the Trustee of any fact known to the Company which would prohibit the making of any payment to or by the Trustee in respect of the Securities of any series. Failure to give such notice shall not affect the subordination of the Securities of such series to Senior Indebtedness. Notwithstanding the provisions of this Article Fourteen or any other provision of this Indenture, the Trustee shall not be charged with knowledge of the existence of any facts which would prohibit the making of any payment to or by the Trustee in respect of the Securities of such series, unless and until the Trustee shall have received written notice thereof in accordance with Section 105 from the Company or a holder of Senior Indebtedness or from any trustee or agent therefor; and, prior to the receipt of any such written notice, the Trustee, subject to the provisions of Section 601, shall be entitled in all respects to assume that no such facts exist; provided, however, that if the Trustee shall not have received, at least three Business Days prior to the date upon which by the terms hereof any such money may become payable for any purpose (including, without limitation, the payment of the principal amount, interest or such other amounts as may be provided for in Section 301, if any, as the case may be, in respect of any Security of such series), the notice with respect to such money provided for in this Section 1410, then, anything herein contained to the contrary notwithstanding, the Trustee shall have full power and authority to receive such money and to apply the same to the purpose for which such money was received and shall not be affected by any notice to the contrary which may be received by it within three Business Days prior to such date.

Subject to the provisions of Section 601, the Trustee shall be entitled to rely on the delivery to it of a written notice by a person representing himself to be a holder of Senior Indebtedness (or

a trustee or agent on behalf of such holder) to establish that such notice has been given by a holder of Senior Indebtedness (or a trustee or agent on behalf of any such holder). In the event that the Trustee determines in good faith that further evidence is required with respect to the right of any person as a holder of Senior Indebtedness to participate in any payment or distribution pursuant to this Article Fourteen, the Trustee may request such person to furnish evidence to the reasonable satisfaction of the Trustee as to the amount of Senior Indebtedness held by such person, the extent to which such person is entitled to participate in such payment or distribution and any other facts pertinent to the rights of such person under this Article Fourteen, and if such evidence is not furnished, the Trustee may defer any payment which it may be required to make for the benefit of such person pursuant to the terms of this Indenture pending judicial determination as to the right of such person to receive such payment.

SECTION 1411. Reliance on Judicial Order or Certificate of Liquidating Agent.

Upon any payment or distribution of assets of the Company referred to in this Article Fourteen, the Trustee, subject to the provisions of Section 601, and the Holders of the Securities of any series shall be entitled to rely upon any order or decree entered by any court of competent jurisdiction in which such insolvency, bankruptcy, receivership, liquidation, reorganization, dissolution, winding up or similar case or proceeding is pending, or a certificate of the trustee in bankruptcy, liquidating trustee, custodian, receiver, assignee for the benefit of creditors, agent or other person making such payment or distribution, delivered to the Trustee or to the Holders of Securities of such series, for the purpose of ascertaining the persons entitled to participate in such payment or distribution, the holders of Senior Indebtedness and other indebtedness of the Company, the amount thereof or payable thereon, the amount or amounts paid or distributed thereon and all other facts pertinent thereto or to this Article Fourteen.

SECTION 1412. Trustee Not Fiduciary for Holders of Senior Indebtedness.

The Trustee shall not be deemed to owe any fiduciary duty to the holders of Senior Indebtedness and shall not be liable to any such holders if the Trustee shall in good faith mistakenly pay over or distribute to Holders of Securities or to the Company or to any other person cash, property or securities to which any holders of Senior Indebtedness shall be entitled by virtue of this Article Fourteen or otherwise. The Trustee shall not be charged with knowledge of the existence of Senior Indebtedness or of any facts that would prohibit any payment hereunder unless the Trustee shall have received notice in accordance with Section 105. With respect to the holders of Senior Indebtedness, the Trustee undertakes to perform or to observe only such of its covenants or obligations as are specifically set forth in this Article Fourteen and no implied covenants or obligations with respect to holders of Senior Indebtedness shall be read into this Indenture against the Trustee.

SECTION 1413. Rights of Trustee as Holder of Senior Indebtedness; Preservation of Trustee's Rights.

The Trustee in its individual capacity shall be entitled to all the rights set forth in this Article Fourteen with respect to any Senior Indebtedness which may at any time be held by it, to the same extent as any other holder of Senior Indebtedness, and nothing in this Indenture shall deprive the Trustee of any of its rights as such holder.

Nothing in this Article Fourteen shall apply to claims of, or payments to, the Trustee under or pursuant to Section 607.

SECTION 1414. Article Fourteen Applicable to Paying Agents.

The term "Trustee" as used in this Article Fourteen shall (unless the context otherwise requires) be construed as extending to and including the Paying Agent within its meaning as fully for all intents and purposes as if the Paying Agent were named in this Article Fourteen in addition to or in place of the Trustee; provided, however, that Sections 1410 and 1412 shall not apply to the Company or any Affiliate of the Company if it or such Affiliate acts as Paying Agent.

IN WITNESS WHEREOF, the parties hereto have caused this Indenture to be duly executed, and their respective corporate seals to be hereunto affixed and attested, all as of the day and year first above written.

OCCIDENTAL PETROLEUM CORPORATION

By

-----

[Seal]

Attest:

-----

THE BANK OF NEW YORK, Trustee

By

-----

[Seal]

Attest:

-----

State of California        )  
                                  ) ss:  
County of Los Angeles    )

On the            day of January, 1999, before me personally came  
          , to me known, who, being by me duly sworn, did depose and say that he is  
a                    of Occidental Petroleum Corporation, one of the  
corporations described in and which executed the foregoing instrument; that he  
knows the seal of said corporation; that the seal affixed to said instrument is  
such corporate seal; that it was so affixed by authority of the Board of  
Directors of said corporation; and that he signed his name thereto by like  
authority.

-----

State of New York        )  
                                  ) ss.  
County of New York     )

On the            day of January, 1999, before me personally came            , to me  
known, who, being by me duly sworn, did depose and say that he is a            of The  
Bank of New York, one of the corporations described in and which executed the  
foregoing instrument; that he knows the seal of said corporation; that the seal  
affixed to said instrument is such corporate seal; that it was so affixed by  
authority of the Board of Directors of said corporation; and that he signed his  
name thereto by like authority.

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OCCIDENTAL PETROLEUM CORPORATION

AND

THE BANK OF NEW YORK,  
TRUSTEE

PREFERRED SECURITIES GUARANTEE AGREEMENT

Dated as of [ ], 199[ ]

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PREFERRED SECURITIES GUARANTEE AGREEMENT

This PREFERRED SECURITIES GUARANTEE AGREEMENT ("Guarantee Agreement"), dated as of [ ], 199[ ], is executed and delivered by Occidental Petroleum Corporation, a Delaware corporation (the "Guarantor"), and The Bank of New York, as trustee (the "Preferred Guarantee Trustee"), for the benefit of the Holders (as defined herein) from time to time of the Preferred Securities (as defined herein) of Oxy Capital Trust [ ], a Delaware statutory business trust (the "Issuer");

WHEREAS, pursuant to an Amended and Restated Declaration of Trust (the "Declaration"), dated as of [ ], 199[ ], among the trustees of the Issuer named therein, the Guarantor, as sponsor, and the holders from time to time of undivided beneficial interests in the assets of the Issuer, the Issuer is issuing on the date hereof \$[ ],000,000 [(including \$[ ],000,000 issued pursuant to an over-allotment option provided for in the Purchase Agreement)][(or up to \$[ ] if the over-allotment option is exercised in full)] aggregate stated liquidation amount of Preferred Securities designated the [ ]% Preferred Securities (the "Preferred Securities");

WHEREAS, as incentive for the Holders to purchase the Preferred Securities, the Guarantor desires to irrevocably and unconditionally to agree, to the extent set forth in this Guarantee Agreement, to pay to the Holders of the Preferred Securities the Guarantee Payments (as defined herein) and to make certain other payments on the terms and conditions set forth herein;

WHEREAS, the Guarantor is also executing and delivering a guarantee agreement (the "Common Securities Guarantee Agreement") in substantially identical terms to this Guarantee Agreement for the benefit of the holders of the Common Securities (as defined herein) except that if an Event of Default (as defined in the Indenture (as defined herein)), has occurred and is continuing, the rights of holders of the Common Securities to receive Guarantee Payments under the Common Securities Guarantee Agreement are subordinated to the rights of Holders of Preferred Securities to receive Guarantee Payments under this Guarantee Agreement;

NOW, THEREFORE, in consideration of the purchase by each Holder of Preferred Securities, which purchase the Guarantor hereby agrees shall benefit the Guarantor, the Guarantor executes and delivers this Guarantee Agreement for the benefit of the Holders.

ARTICLE I.  
DEFINITIONS AND INTERPRETATION

Section 1.01. Definitions and Interpretation.  
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In this Guarantee Agreement, unless the context otherwise requires:

(a) Capitalized terms used in this Guarantee Agreement but not defined in the preamble above have the respective meanings assigned to them in this Section 1.01;

(b) a term defined anywhere in this Guarantee Agreement has the same meaning throughout;

(c) all references to "the Guarantee Agreement" or "this Guarantee Agreement" are to this Guarantee Agreement as modified, supplemented or amended from time to time;

(d) all references in this Guarantee Agreement to Articles and Sections are to Articles and Sections of this Guarantee Agreement unless otherwise specified;

(e) a term defined in the Trust Indenture Act has the same meaning when used in this Guarantee Agreement unless otherwise defined in this Guarantee Agreement or unless the context otherwise requires; and

(f) a reference to the singular includes the plural and vice versa.

"Affiliate" has the same meaning as given to that term in Rule 405 of the Securities Act of 1933, as amended, as in effect on the date of this Guarantee Agreement.

"Authorized Officer" of a Person means any Person that is authorized to bind such Person.

"Common Securities" means the securities representing common undivided beneficial interests in the assets of the Issuer.

"Covered Person" means any Holder or beneficial owner of Preferred Securities.

"Distribution" has the meaning specified in the Declaration.

"Event of Default" means a default by the Guarantor on any of its payment or other obligations under this Guarantee Agreement.

"Guarantee Payments" means the following payments or distributions, without duplication, with respect to the Preferred Securities, to the extent not paid or made by the Issuer: (i) any accrued and unpaid Distributions which are required to be paid on such Preferred Securities to the extent the Issuer shall have funds available therefore, (ii) the redemption price, including all accrued and unpaid Distributions to the date of redemption (the "Redemption Price") to the extent the Issuer has funds available therefor, with respect to any Preferred Securities called for redemption by the Issuer, and (iii) upon a voluntary or involuntary dissolution, winding-up or termination of the Issuer (other than in connection with the distribution of Subordinated Notes to the Holders in exchange for Preferred Securities as provided in the Declaration), the lesser of (a) the aggregate of the liquidation amount and all accrued and unpaid Distributions on the Preferred Securities to the date of payment, to the extent the Issuer shall have funds available therefor and (b) the amount of assets of the Issuer remaining available for distribution to Holders in liquidation of the Issuer (in either case, the "Liquidation Distribution"). If an Event of Default (as defined in the Indenture), has occurred and is continuing, the rights of the holders of the Common Securities to receive Guarantee Payments under the Common Securities Guarantee Agreement are subordinated to the rights of Holders of Preferred Securities to receive Guarantee Payments under this Guarantee Agreement.

"Guarantor" shall mean Occidental Petroleum Corporation, a Delaware corporation or any permitted successor thereof under the Indenture, in its capacity as guarantor under this Guarantee Agreement.

"Holder" shall mean any holder, as registered on the books and records of the Issuer, of any Preferred Securities; provided, however, that in determining whether the holders of the requisite percentage of Preferred Securities have given any request, notice, consent or waiver hereunder, "Holder" shall not include the Guarantor or any Affiliate of the Guarantor.

"Indemnified Person" means the Preferred Guarantee Trustee, any Affiliate of the Preferred Guarantee Trustee, or any officers, directors, shareholders, members, partners, employees, representatives or agents of the Preferred Guarantee Trustee.

"Indenture" means the Indenture dated as of [ ], 199[ ] among the Guarantor and The Bank of New York, as trustee, as supplemented by the Officers' Certificate (as defined in the Indenture) dated [ ], 199[ ].

"Majority in liquidation amount of the Preferred Securities" means, except as provided by the Trust Indenture Act, Holder(s) of Preferred Securities voting separately as a class, who vote Preferred Securities and the aggregate liquidation amount (including the stated amount that would be paid on redemption, liquidation or otherwise, plus accrued and unpaid Distributions to the date upon which the voting percentages are determined) of the Preferred Securities voted by such Holders represents more than 50% of the above stated liquidation amount of all Preferred Securities.

"Officers' Certificate" means, with respect to any Person, a certificate signed by two Authorized Officers of such Person. Any Officers' Certificate delivered with respect to compliance with a condition or covenant provided for in this Guarantee Agreement shall include:

(a) a statement that each officer signing the Certificate has read the covenant or condition and the definition relating thereto;

(b) a brief statement of the nature and scope of the examination or investigation undertaken by each officer in rendering the Certificate;

(c) a statement that each such officer has made such examination or investigation as, in such officer's opinion, is necessary to enable such officer to express an informed opinion as to whether or not such covenant or condition has been complied with; and

(d) a statement as to whether, in the opinion of each such officer, such condition or covenant has been complied with.

"Person" means a legal person, including any individual, corporation, estate, partnership, joint venture, association, joint stock company, limited liability company, trust, unincorporated association, or government or any agency or political subdivision thereof, or any other entity of whatever nature.

"Preferred Guarantee Trustee" means The Bank of New York until a Successor Preferred Guarantee Trustee has been appointed and has accepted such appointment pursuant to the terms of this Guarantee Agreement and thereafter means each such Successor Preferred Guarantee Trustee.

"Responsible Officer" means, with respect to the Preferred Guarantee Trustee, the chairman of the board of directors, the president, any vice-president, any assistant vice-president, the secretary, any assistant secretary, the treasurer, any assistant treasurer, any trust officer or assistant trust officer or any other officer of the Preferred Guarantee Trustee customarily performing functions similar to those performed by any of the above designated officers and also means, with respect to a particular corporate trust matter, any other officer to whom such matter is referred because of that officer's knowledge of and familiarity with the particular subject.

"Subordinated Notes" means the series of subordinated debt securities of the Guarantor designated the [ ]% Subordinated Notes due 20[ ].

"Successor Preferred Guarantee Trustee" means a successor Preferred Guarantee Trustee possessing the qualifications to act as Preferred Guarantee Trustee under Section 4.01.

"Trust Indenture Act" means the Trust Indenture Act of 1939, as amended.

ARTICLE II.  
TRUST INDENTURE ACT

Section 2.01. Trust Indenture Act; Application.  
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(a) This Guarantee Agreement is subject to the provisions of the Trust Indenture Act that are required to be part of this Guarantee Agreement and shall, to the extent applicable, be governed by such provisions; and

(b) if and to the extent that any provision of this Guarantee Agreement limits, qualifies or conflicts with the duties imposed by (S)(S) 310 to 317, inclusive, of the Trust Indenture Act, such imposed duties shall control.

Section 2.02. Lists of Holders of Securities.  
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(a) The Guarantor shall provide the Preferred Guarantee Trustee (i) semiannually, not later than June 30 and December 31 in each year, a list, in such form as the Preferred Guarantee Trustee may reasonably require, containing all the information in the possession or control of the Guarantor, or any of its Paying Agents other than the Preferred Guarantee Trustee, as to the names and addresses of the Holders of Securities ("List of Holders") as of the preceding June 15 or December 15, as the case may be, and (ii) at such other times as the Preferred Guarantee Trustee may request in writing, within 30 days after the receipt by the Guarantor of any such request, a list of similar form and content as of a date not more than 15 days prior to the time such list is furnished. The Preferred Guarantee Trustee may destroy any List of Holders previously given to it on receipt of a new List of Holders; and

(b) the Preferred Guarantee Trustee shall comply with its obligations under (S)(S) 311(a), 311(b) and 312(b) of the Trust Indenture Act.

Section 2.03. Reports by Preferred Guarantee Trustee.  
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Within 60 days after May 15 of each year commencing May [ ], the Preferred Guarantee Trustee shall provide to the Holders of the Preferred Securities such reports as are required by (S) 313 of the Trust Indenture Act, if any, in the form and in the manner provided by (S) 313 of the Trust Indenture Act. The Preferred Guarantee Trustee shall also comply with the requirements of (S) 313(d) of the Trust Indenture Act.

Section 2.04. Periodic Reports to Preferred Guarantee Trustee.  
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The Guarantor shall provide to the Preferred Guarantee Trustee such documents, reports and information as required by (S) 314 (if any) and the compliance certificate required by (S) 314 of the Trust Indenture Act in the form, in the manner and at the times required by (S) 314 of the Trust Indenture Act.

Section 2.05. Evidence of Compliance with Conditions Precedent.  
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The Guarantor shall provide to the Preferred Guarantee Trustee such evidence of compliance with any conditions precedent, if any, provided for in this Guarantee Agreement which relate to any of the matters set forth in (S) 314(c) of the Trust Indenture Act. Any certificate or opinion required to be given by an officer pursuant to (S) 314(c)(1) may be given in the form of an Officers' Certificate.

Section 2.06. Events of Default; Waiver.  
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The Holders of a Majority in liquidation amount of Preferred Securities may, by vote, on behalf of the Holders of all of the Preferred Securities, waive any past Event of Default and its consequences. Upon such waiver, any such Event of Default shall cease to exist, and any Event of Default arising therefrom shall be deemed to have been cured, for every purpose of this Guarantee Agreement, but no such waiver shall extend to any subsequent or other default or Event of Default or impair any right consequent thereon.

Section 2.07. Event of Default; Notice.  
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(a) The Preferred Guarantee Trustee shall, within 90 days after the occurrence of an Event of Default known to the Preferred Guarantee Trustee, transmit by mail, first class postage prepaid, to the Holders of the Preferred Securities, notices of all such Events of Default, unless such defaults have been cured or waived before the giving of such notice, provided, that, the Preferred Guarantee Trustee shall be protected in withholding such notice if and so long as the board of directors, the executive committee, or a trust committee of directors and/or Responsible Officers, of the Preferred Guarantee Trustee in good faith determine that the withholding of such notice is in the interests of the Holders of the Preferred Securities.

(b) The Preferred Guarantee Trustee shall not be deemed to have knowledge of any Event of Default except any Event of Default as to which the Preferred Guarantee Trustee shall



have received written notice or a Responsible Officer charged with the administration of the Declaration shall have obtained written notice of.

Section 2.08. Conflicting Interests.  
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The Declaration and the Indenture shall be deemed to be specifically described in this Guarantee Agreement for the purposes of clause (i) of the first proviso contained in (S)310(b) of the Trust Indenture Act. [Add all subsequent Declarations.]

ARTICLE III.  
POWERS, DUTIES AND RIGHTS OF PREFERRED GUARANTEE TRUSTEE

Section 3.01. Powers and Duties of Preferred Guarantee Trustee.  
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(a) This Guarantee Agreement shall be held by the Preferred Guarantee Trustee for the benefit of the Holders of the Preferred Securities, and the Preferred Guarantee Trustee shall not transfer this Guarantee Agreement to any Person except a Holder of Preferred Securities exercising his or her rights pursuant to Section 5.04(b) or to a Successor Preferred Guarantee Trustee on acceptance by such Successor Preferred Guarantee Trustee of its appointment to act as Preferred Guarantee Trustee. The right, title and interest of the Preferred Guarantee Trustee shall automatically vest in any Successor Preferred Guarantee Trustee, and such vesting and cessation of title shall be effective whether or not conveyancing documents have been executed and delivered pursuant to the appointment of such Successor Preferred Guarantee Trustee.

(b) If an Event of Default has occurred and is continuing, the Preferred Guarantee Trustee shall enforce this Guarantee Agreement for the benefit of the Holders of the Preferred Securities.

(c) The Preferred Guarantee Trustee, before the occurrence of any Event of Default and after the curing or waiver of all Events of Default that may have occurred:

(i) shall undertake to perform only such duties as are specifically set forth in this Guarantee Agreement and in the terms of the Preferred Securities, and no implied covenants, duties or obligations shall be read into this Guarantee Agreement against the Preferred Guarantee Trustee; and

(ii) in the absence of bad faith on the part of the Preferred Guarantee Trustee, the Preferred Guarantee Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon any certificates or opinions furnished to the Preferred Guarantee Trustee and conforming to the requirements of this Guarantee Agreement; but in the case of any such certificates or opinions that by any provision hereof are specifically required to be furnished to the Preferred Guarantee Trustee, the Preferred Guarantee Trustee shall be under a duty to examine the same to determine whether or not they conform to the requirements of this Guarantee Agreement.

In case an Event of Default has occurred (that has not been cured or waived pursuant to Section 2.06), the Preferred Guarantee Trustee shall exercise such of the rights and powers vested in it by

this Guarantee Agreement, and use the same degree of care and skill in their exercise or use, as a prudent person would exercise or use under the circumstances in the conduct of his or her own affairs.

(d) No provision of this Guarantee Agreement shall be construed to relieve the Preferred Guarantee Trustee from liability for its own negligent action, its own negligent failure to act, or its own willful misconduct, except that:

(i) this subsection shall not be construed to limit subsection (c) of this Section;

(ii) the Preferred Guarantee Trustee shall not be liable for any error of judgment made in good faith by a Responsible Officer of the Preferred Guarantee Trustee, unless it shall be proved that the Preferred Guarantee Trustee was negligent in ascertaining the pertinent facts;

(iii) the Preferred Guarantee Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Holders of not less than a Majority in liquidation amount of the Preferred Securities at the time outstanding relating to the time, method and place of conducting any proceeding for any remedy available to the Preferred Guarantee Trustee, or exercising any trust or power conferred upon the Preferred Guarantee Trustee under this Guarantee Agreement including, without limitation, with respect to the Preferred Securities; and

(iv) no provision of this Guarantee Agreement shall require the Preferred Guarantee Trustee to expend or risk its own funds or otherwise incur financial liability in the performance of any of its duties hereunder or in the exercise of any of its rights or powers, if it shall have reasonable ground for believing that the repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

(e) Whether or not therein expressly so provided, every provision of this Guarantee Agreement relating to the conduct or affecting the liability of or affording protection to the Preferred Guarantee Trustee shall be subject to the provisions of this Section.

Section 3.02. Certain Rights of Preferred Guarantee Trustee.  
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(a) Subject to the provisions of Section 3.01:

(i) the Preferred Guarantee Trustee may rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, note or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties;

(ii) any act of the Guarantor contemplated by this Guarantee Agreement shall be sufficiently evidenced by an Officers' Certificate;

(iii) whenever, in the administration of this Guarantee Agreement, the Preferred Guarantee Trustee shall deem it desirable that a matter be proved or established before taking, suffering or omitting any action hereunder, the Preferred Guarantee Trustee (unless other evidence is herein specifically prescribed) may, in the absence of bad faith on its part, rely upon an Officers' Certificate which, upon receipt of such request, shall be promptly delivered by the Guarantor;

(iv) the Preferred Guarantee Trustee shall have no duty to see to any recording, filing or registration of any instrument (or any recording, refiling or registration thereof);

(v) the Preferred Guarantee Trustee may consult with counsel of its selection and the written advice or opinion of such counsel with respect to legal matters shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by it hereunder in good faith and in reliance thereon. Such counsel may be counsel to the Guarantor or any of its Affiliates, and may include any of its employees;

(vi) the Preferred Guarantee Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Guarantee Agreement at the request or direction of any Holder, unless such Holder shall have offered to the Preferred Guarantee Trustee reasonable security or indemnity against the costs, expenses and liabilities that might be incurred by it in complying with such request or direction;

(vii) the Preferred Guarantee Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, note or other paper or document, but the Preferred Guarantee Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit and, if the Preferred Guarantee Trustee shall determine to make such further inquiry or investigation, it shall be entitled to examine the books, records and premises of the Guarantor, personally or by agent or attorney;

(viii) the Preferred Guarantee Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys and the Preferred Guarantee Trustee shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed with due care by it hereunder;

(ix) any action taken by the Preferred Guarantee Trustee or its agents hereunder shall bind the Trust and the Holders of the Preferred Securities and the signature of the Preferred Guarantee Trustee or its agents alone shall be sufficient and effective to perform any such action; and no third party shall be required to inquire as to the authority of the Preferred Guarantee Trustee to so act, or as to its compliance with any of the terms and provisions of this Guarantee Agreement, both of which shall be conclusively evidenced by the Preferred Guarantee Trustee's or its agent's taking such action;

(x) whenever in the administration of this Guarantee Agreement the Preferred Guarantee Trustee shall deem it desirable to receive instructions with respect to enforcing any remedy or right or taking any other action hereunder, the Preferred Guarantee Trustee (i) may request instructions from the Holders of the Preferred Securities which instructions may only be given by the Holders of the same proportion in liquidation amount of the Preferred Securities as would be entitled to direct the Preferred Guarantee Trustee under the terms of the Preferred Securities in respect of such remedy, right or action, (ii) may refrain from enforcing such remedy or right or taking such other action until such instructions are received, and (iii) shall be protected in acting in accordance with such instructions;

(xi) the Preferred Guarantee Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys and the Preferred Guarantee Trustee shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed with due care by it hereunder; and

(xii) the Preferred Guarantee Trustee shall not be liable for any action taken or omitted by it in good faith and believed by it to be authorized or within the discretion or rights or powers conferred upon it by this Guarantee.

(b) No provision of this Guarantee Agreement shall be deemed to empower the Preferred Guarantee Trustee to vary the investment of any Holder of the Preferred Securities or to act in a manner inconsistent with the status of the Issuer as a grantor trust for United States federal income tax purposes.

Section 3.03. Not Responsible for Recitals or Issuance of Guarantee.  
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The recitals contained in this Guarantee Agreement shall be taken as the statements of the Guarantor, and the Preferred Guarantee Trustee does not assume any responsibility for their correctness. The Preferred Guarantee Trustee makes no representations as to the validity or sufficiency of this Guarantee Agreement.

ARTICLE IV.  
PREFERRED GUARANTEE TRUSTEE

Section 4.01. Preferred Guarantee Trustee; Eligibility.  
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(a) There shall at all times be a Preferred Guarantee Trustee which shall:

(i) not be an Affiliate of the Guarantor; and

(ii) be a corporation organized and doing business under the laws of the United States of America or any State thereof or of the District of Columbia, or a corporation or Person permitted by the Securities and Exchange Commission to act as an institutional trustee under the Trust Indenture Act, authorized under such laws to exercise

corporate trust powers, having a combined capital and surplus of at least 50 million U.S. dollars (\$50,000,000), and subject to supervision or examination by Federal, State or District of Columbia authority. If such corporation publishes reports of condition at least annually, pursuant to law or to the requirements of the supervising or examining authority referred to above, then for the purposes of this Section 4.01(a)(ii), the combined capital and surplus of such corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published;

(b) if at any time the Preferred Guarantee Trustee shall cease to be eligible to so act under Section 4.01(a), the Preferred Guarantee Trustee shall immediately resign in the manner and with the effect set out in Section 4.02(c); and

(c) if the Preferred Guarantee Trustee has or shall acquire any "conflicting interest" within the meaning of (S) 310(b) of the Trust Indenture Act, the Preferred Guarantee Trustee and Guarantor shall in all respects comply with the provisions of (S) 310(b) of the Trust Indenture Act.

Section 4.02. Appointment, Removal and Resignation of Preferred Guarantee Trustee.  
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(a) Subject to Section 4.02(b), the Preferred Guarantee Trustee may be appointed or removed without cause at any time by the Guarantor;

(b) the Preferred Guarantee Trustee shall not be removed in accordance with Section 4.02(a) until a Successor Preferred Guarantee Trustee has been appointed and has accepted such appointment by written instrument executed by such Successor Preferred Guarantee Trustee and delivered to the Guarantor;

(c) the Preferred Guarantee Trustee appointed to office shall hold office until a Successor Preferred Guarantee Trustee shall have been appointed or until its removal or resignation. The Preferred Guarantee Trustee may resign from office (without need for prior or subsequent accounting) by an instrument in writing executed by the Preferred Guarantee Trustee and delivered to the Guarantor, which resignation shall not take effect until a Successor Preferred Guarantee Trustee has been appointed and has accepted such appointment by instrument in writing executed by such Successor Preferred Guarantee Trustee and delivered to the Guarantor and the resigning Preferred Guarantee Trustee; and

(d) if no Successor Preferred Guarantee Trustee shall have been appointed and accepted appointment as provided in this Section 4.02 within 60 days after delivery to the Guarantor of an instrument of resignation, the resigning Preferred Guarantee Trustee may petition any court of competent jurisdiction for appointment of a Successor Preferred Guarantee Trustee. Such court may thereupon after such notice, if any, as it may deem proper and prescribe, appoint a Successor Preferred Guarantee Trustee.

ARTICLE V.  
GUARANTEE

Section 5.01. Guarantee.  
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The Guarantor irrevocably and unconditionally agrees to pay in full to the Holders the Guarantee Payments (without duplication of amounts theretofore paid by the Issuer), as and when due, regardless of any defense, right of set-off or counterclaim which the Issuer may have or assert. The Guarantor's obligation to make a Guarantee Payment may be satisfied by direct payment of the required amounts by the Guarantor to the Holders or by causing the Issuer to pay such amounts to the Holders.

Section 5.02. Waiver of Notice and Demand.  
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The Guarantor hereby waives notice of acceptance of this Guarantee Agreement and of any liability to which it applies or may apply, presentment, demand for payment, any right to require a proceeding first against the Issuer or any other Person before proceeding against the Guarantor, protest, notice of nonpayment, notice of dishonor, notice of redemption and all other notices and demands.

Section 5.03. Obligations Not Affected.  
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The obligations, covenants, agreements and duties of the Guarantor under this Guarantee Agreement shall in no way be affected or impaired by reason of the happening from time to time of any of the following:

(a) the release or waiver, by operation of law or otherwise, of the performance or observance by the Issuer of any express or implied agreement, covenant, term or condition relating to the Preferred Securities to be performed or observed by the Issuer;

(b) the extension of time for the payment by the Issuer of all or any portion of the Distributions, Redemption Price, Liquidation Distribution or any other sums payable under the terms of the Preferred Securities or the extension of time for the performance of any other obligation under, arising out of, or in connection with, the Preferred Securities (other than an extension of time for payment of Distributions, Redemption Price, Liquidation Distribution or other sum payable that results from the extension of any interest payment period on the Subordinated Notes or any extension of the maturity date of the Subordinated Notes permitted by the Indenture);

(c) any failure, omission, delay or lack of diligence on the part of the Holders to enforce, assert or exercise any right, privilege, power or remedy conferred on the Holders pursuant to the terms of the Preferred Securities, or any action on the part of the Issuer granting indulgence or extension of any kind;

(d) the voluntary or involuntary liquidation, dissolution, sale of any collateral, receivership, insolvency, bankruptcy, assignment for the benefit of creditors, reorganization, arrangement, composition or readjustment of debt of, or other similar proceedings affecting, the Issuer or any of the assets of the Issuer;

(e) any invalidity of, or defect or deficiency in the Preferred Securities or the Subordinated Notes;

(f) the settlement or compromise of any obligation guaranteed hereby or hereby incurred; or

(g) any other circumstance whatsoever that might otherwise constitute a legal or equitable discharge or defense of a guarantor, it being the intent of this Section 5.03 that the obligations of the Guarantor hereunder shall be absolute and unconditional under any and all circumstances.

There shall be no obligation on the Holders or any other Person to give notice to, or obtain consent of, the Guarantor with respect to the happening of any of the foregoing.

Section 5.04. Rights of Holders.  
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(a) The Holders of a Majority in liquidation amount of the Preferred Securities have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Preferred Guarantee Trustee in respect of this Guarantee Agreement or exercising any trust or power conferred upon the Preferred Guarantee Trustee under this Guarantee Agreement; and

(b) notwithstanding the rights of the Preferred Guarantee Trustee to enforce this Guarantee Agreement under Article III, any Holder of Preferred Securities may institute a legal proceeding directly against the Guarantor to enforce the Preferred Guarantee Trustee's rights under this Guarantee Agreement, without first instituting a legal proceeding against the Issuer, the Preferred Guarantee Trustee or any other Person. Notwithstanding the foregoing, if the Guarantor has failed to make a Guarantee Payment, a Holder of Preferred Securities may directly institute a proceeding against the Guarantor for enforcement of this Guarantee Agreement for such payment. The Guarantor waives any right or remedy to require that any action be brought first against the Issuer or any other person or entity before proceeding directly against the Guarantor.

Section 5.05. Guarantee of Payment.  
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This Guarantee Agreement creates a guarantee of payment and not of collection.

Section 5.06. Subrogation.  
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The Guarantor shall be subrogated to all rights, if any, of the Holders of Preferred Securities against the Issuer in respect of any amounts paid to such Holders by the Guarantor under this Guarantee Agreement; provided, however, that the Guarantor shall not (except to the extent required by mandatory provisions of law) be entitled to enforce or exercise any rights which it may acquire by way of subrogation or any indemnity, reimbursement or other agreement, in all cases as a result of payment under this Guarantee Agreement, if, at the time of any such payment, any amounts are due and unpaid under this Guarantee Agreement. If any amount shall be paid to the Guarantor in violation of the preceding sentence, the Guarantor agrees to hold such amount in trust for the Holders and to pay over such amount to the Holders.

Section 5.07. Independent Obligations.  
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The Guarantor acknowledges that its obligations hereunder are independent of the obligations of the Issuer with respect to the Preferred Securities and that the Guarantor shall be liable as principal and as debtor hereunder to make Guarantee Payments pursuant to the terms of this Guarantee Agreement notwithstanding the occurrence of any event referred to in subsections (a) through (g), inclusive, of Section 5.03 hereof.

ARTICLE VI.  
LIMITATION OF TRANSACTIONS; RANKING

Section 6.01. Limitation of Transactions.  
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So long as any Preferred Securities remain outstanding, (a) the Guarantor will not declare or pay any dividend on, or make any distributions with respect to, or redeem, purchase, acquire or make a liquidation payment with respect to, any of its capital stock, and (b) the Guarantor will not make any payment of interest, principal or premium, if any, on or repay, repurchase or redeem any debt securities (including guarantees) of the Guarantor which rank pari passu with or junior to the Subordinated Notes, if at such time (i) there shall have occurred any Event of Default or (ii) there shall have occurred any Event of Default under the Declaration; provided, that, clause (a) above does not apply to (i) any stock dividends paid by the Guarantor where the dividend stock is the same as that on which the dividend is being paid, (ii) purchases or acquisitions by the Guarantor of shares of its common stock in connection with the satisfaction by the Guarantor or any of its subsidiaries of their respective obligations under any benefit plans for directors, officers, agents or employees of the Guarantor's dividend reinvestment or director, officer, agent or employee stock purchase plans, (iii) a reclassification of the Guarantor's capital stock or the exchange or conversion of one class or series of its capital stock for another class or series of its capital stock, (iv) the purchase of fractional interests in shares of the Guarantor's capital stock pursuant to the conversion or exchange provisions of such capital stock or security being converted or exchanged for capital stock, (v) dividends or distributions in shares of, or options, warrants or rights to subscribe for or purchase shares of the Guarantor's capital stock or (vi) any declaration by the Guarantor of a dividend in connection with the implementation or extension of a stockholders' rights plan, or the issuance of stock under any such plan (including any such existing plan) in the future or the redemption or repurchase or any such rights pursuant thereto.

Section 6.02. Ranking.  
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This Guarantee Agreement will constitute an unsecured obligation of the Guarantor and will rank (i) subordinate and junior in right of payment to all other liabilities of the Guarantor, except for those liabilities made pari passu or junior by their terms to any liabilities of the Guarantor under this Guarantee Agreement, (ii) pari passu with the most senior preferred or preference stock now or hereafter issued by the Guarantor and with any guarantee now or hereafter entered into by the Guarantor in respect of any preferred or preference stock of any Affiliate of the Guarantor, and (iii) senior to the Guarantor's common stock[; provided, that, this



Guarantee Agreement shall be pari passu with the guarantee issued by the Guarantor in connection with [ ]].

ARTICLE VII.  
TERMINATION

Section 7.01. Termination.  
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This Guarantee Agreement shall terminate with respect to each Holder upon the first to occur of the following: full payment of the Redemption Price of all Preferred Securities, the distribution of the Subordinated Notes to the Holders of all of the Preferred Securities or full payment of the amounts payable in accordance with the Declaration upon dissolution of the Trust. Notwithstanding the foregoing, this Guarantee Agreement will continue to be effective or will be reinstated, as the case may be, if at any time any Holder of Preferred Securities must restore payment of any sums paid under the Preferred Securities or under this Preferred Securities Guarantee.

ARTICLE VIII.  
INDEMNIFICATION

Section 8.01. Exculpation.  
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(a) No Indemnified Person shall be liable, responsible or accountable in damages or otherwise to the Guarantor or any Covered Person for any loss, damage or claim incurred by reason of any act or omission performed or omitted by such Indemnified Person in good faith in accordance with this Guarantee Agreement and in a manner such Indemnified Person reasonably believed to be within the scope of the authority conferred on such Indemnified Person by this Guarantee Agreement or by law, except that an Indemnified Person shall be liable for any such loss, damage or claim incurred by reason of such Indemnified Person's negligence (or, in the case of the Preferred Guarantee Trustee, except as otherwise set forth in Section 3.01) or willful misconduct with respect to such acts or omissions.

(b) An Indemnified Person shall be fully protected in relying in good faith upon the records of the Guarantor and upon such information, opinions, reports or statements presented to the Guarantor by any Person as to matters the Indemnified Person reasonably believes are within such other Person's professional or expert competence and who has been selected with reasonable care by or on behalf of the Guarantor, including information, opinions, reports or statements as to the value and amount of the assets, liabilities, profits, losses, or any other facts pertinent to the existence and amount of assets from which Distributions to Holders of Preferred Securities might properly be paid.

Section 8.02. Indemnification.  
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(a) The Guarantor shall indemnify each Indemnified Person for, and hold each Indemnified Person harmless against, any loss, liability or expense incurred by such Indemnified Person by reason of any act or omission performed or omitted by such Indemnified Person

without negligence or bad faith (or, in the case of the Preferred Securities Trustee, except as set forth in Section 3.01) in accordance with this Guarantee Agreement and in a manner such Indemnified Person reasonably believed to be within the scope of authority conferred on such Indemnified Person by this Guarantee Agreement.

(b) Reasonable expenses (including reasonable legal fees and expenses) incurred by an Indemnified Person in defending any claim, demand, action, suit or proceeding shall, from time to time, be advanced by the Guarantor prior to the final disposition of such claim, demand, action, suit or proceeding upon receipt by the Guarantor of an undertaking by or on behalf of the Indemnified Person to repay such amount if it shall be determined that the Indemnified Person is not entitled to be indemnified as authorized in Section 8.02(a).

(c) The provisions of this Section 8.02 shall survive termination of this Guarantee or the resignation or removal of the Preferred Guarantee Trustee.

ARTICLE IX.  
MISCELLANEOUS

Section 9.01. Successors and Assigns.  
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All guarantees and agreements contained in this Guarantee Agreement shall bind the successors, assigns, receivers, trustees and representatives of the Guarantor and shall inure to the benefit of the Holders of the Preferred Securities then outstanding.

Section 9.02. Amendments.  
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Except with respect to any changes which do not adversely affect the rights of Holders (in which case no consent of Holders will be required), this Guarantee Agreement may only be amended with the prior approval of the Holders of at least a Majority in liquidation amount of the Preferred Securities. The provisions of Section 12.2 of the Declaration with respect to meetings of Holders apply to the giving of such approval.

Section 9.03. Notices.  
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All notices provided for in this Guarantee Agreement shall be in writing, duly signed by the party giving such notice, and shall be delivered, telecopied or mailed by first class mail, postage prepaid, as follows:

(a) if given to the Preferred Guarantee Trustee at the Preferred Guarantee Trustee's mailing address set forth below (or such other address as the Preferred Guarantee Trustee may give notice of to the Holders of the Preferred Securities):

The Bank of New York  
101 Barclay Street, 21W  
New York, New York 10286

(b) if given to the Guarantor, at the Guarantor's mailing address set forth below (or such other address as the Guarantor may give notice of to the Holders of the Preferred Securities):

Occidental Petroleum Corporation  
10889 Wilshire Boulevard  
Los Angeles, CA 90024  
Attn: General Counsel

(c) if given to any Holder of Preferred Securities, at the address set forth on the books and records of the Issuer.

All such notices shall be deemed to have been given when received in person, telecopied with receipt confirmed, or mailed except that if a notice or other document is refused delivery or cannot be delivered because of a changed address of which no notice was given, such notice or other document shall be deemed to have been delivered on the date of such refusal or inability to deliver.

Section 9.04. Benefit.  
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This Guarantee Agreement is solely for the benefit of the Holders of the Preferred Securities and subject to Section 3.01(a) is not separately transferable from the Preferred Securities.

Section 9.05. Governing Law.  
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THIS GUARANTEE AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK INCLUDING, WITHOUT LIMITATION, SECTION 5-1401 OF THE NEW YORK GENERAL OBLIGATIONS LAW.

THIS GUARANTEE AGREEMENT is executed as of the day and year first above written.

OCCIDENTAL PETROLEUM CORPORATION

By: \_\_\_\_\_  
Name:  
Title:

THE BANK OF NEW YORK  
as Preferred Guarantee Trustee

By: \_\_\_\_\_  
Name:  
Title:

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January 6, 1999

Occidental Petroleum Corporation  
10889 Wilshire Boulevard  
Los Angeles, California 90024

Re: Registration Statement on Form S-3 of Occidental  
Petroleum Corporation, Oxy Capital Trust I, Oxy  
Capital Trust II and Oxy Capital Trust III

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Ladies and Gentlemen:

I am an Associate General Counsel of Occidental Petroleum Corporation, a Delaware corporation ("Occidental"), and am rendering this opinion in connection with the preparation of the above-referenced Registration Statement on Form S-3 (No. 333-69303) (the "Registration Statement"), which was filed by Occidental and Oxy Capital Trust I, Oxy Capital Trust II and Oxy Capital Trust III, each a statutory business trust created under the Business Trust Act of the State of Delaware (each a "Trust," and collectively, the "Trusts"), on December 21, 1998, with the Securities and Exchange Commission (the "Commission"). The Registration Statement relates to the registration under the Securities Act of 1933, as amended (the "Securities Act"), of \$1,400,000,000 aggregate public offering price of (i) Occidental's (a) senior unsecured debt securities (the "Senior Debt Securities"), which may be issued pursuant to an indenture, dated as of April 1, 1998, between Occidental and The Bank of New York, a New York banking corporation, as trustee (the "Senior Indenture"); (b) subordinated debt securities (the "Subordinated Debt Securities" and, together with the Senior Debt Securities, the "Debt Securities"), which may be issued pursuant to an indenture (as amended or supplemented, the "Subordinated Indenture"), between Occidental and The Bank of New York, as trustee; and (c) guarantees by Occidental of the preferred securities (the "Guarantees") described below pursuant to one or more guarantee agreements (each a "Guarantee Agreement") to be entered into by Occidental; and (ii) preferred securities (the

"Preferred Securities" and, together with the Debt Securities, the "Offered Securities") which may be issued by each Trust pursuant to their respective Amended and Restated Declarations of Trust (each an "Amended Declaration"). The Offered Securities are being registered for offering and sale from time to time pursuant to Rule 415 under the Securities Act.

This opinion is delivered in accordance with the requirements of Item 601(b)(5) of Regulation S-K under the Securities Act.

In connection with this opinion, I have examined and am familiar with originals or copies, certified or otherwise identified to my satisfaction, of such documents as I have deemed necessary or appropriate as a basis for the opinions set forth herein, including (i) the Registration Statement (together with the form of preliminary prospectus forming a part thereof); (ii) the Restated Certificate of Incorporation and By-Laws of Occidental, in each case, as amended to date; (iii) the Senior Indenture; (iv) the form of the Subordinated Indenture; (v) the Certificate of Trust of each of the Trusts filed with the Secretary of State of the State of Delaware on December 16, 1998 (each, a "Certificate of Trust"); (vi) the Declaration of Trust of each of the Trusts dated as of December 16, 1998 (each, a "Declaration of Trust") and (vii) copies of certain resolutions adopted by the Board of Directors of Occidental relating to the execution of the Senior Indenture and the Subordinated Indenture, the issuance of the Debt Securities, the filing of the Registration Statement and any amendments or supplements thereto and related matters (the "Board Resolutions"). In my examination, I have assumed the legal capacity of all natural persons, that the signatures (other than signatures executing documents on behalf of Occidental) on all documents examined or caused to be examined by me are genuine, that all documents submitted to me as originals are authentic, and that all documents submitted to me as copies conform with the originals, which assumptions I have not independently verified. As to any facts material to the opinions expressed herein which I have not independently established or verified, I have relied upon statements and representations of officers and other representatives of Occidental and others.

I am a member of the California and New York Bars and for purposes of this opinion do not hold myself out as an expert on, nor do I express any opinion as to, the laws of any jurisdiction other than the laws of the State of New York, the Federal laws

of the United States and the General Corporation Law of the State of Delaware. The Debt Securities may be issued from time to time on a delayed or continuous basis and this opinion is limited to the laws, including the rules and regulations, as in effect on the date hereof.

Based upon and subject to the foregoing, I am of the opinion that:

1. When (i) the Registration Statement becomes effective under the Securities Act; (ii) the appropriate officers of Occidental have taken all necessary action pursuant to the provisions of the Senior Indenture or the Subordinated Indenture, as the case may be, to fix and approve the terms of the Debt Securities, including the establishment of the form or forms of certificates representing the Debt Securities pursuant to the provisions of the Senior Indenture or the Subordinated Indenture, as the case may be; (iii) the Senior Indenture or the Subordinated Indenture, as the case may be, shall have been qualified under the Trust Indenture Act of 1939, as amended; and (iv) the Debt Securities are duly executed and authenticated in accordance with the provisions of the Senior Indenture or the Subordinated Indenture, as the case may be, and duly delivered to the purchasers thereof upon payment of the agreed upon consideration therefor, the Debt Securities will be validly issued and binding obligations of Occidental, enforceable against Occidental in accordance with their terms, except as may be subject to or limited by (a) bankruptcy, insolvency, reorganization, moratorium or other similar laws now or hereafter in effect affecting creditors' rights generally, (b) the effect of general principles of equity, including, without limitation, concepts of materiality, reasonableness, good faith and fair dealing and the possible unavailability of specific performance or injunctive relief, regardless of whether considered in a proceeding in equity or at law, (c) requirements that a claim with respect to any Debt Securities authenticated and delivered under the applicable Indenture denominated other than in United States dollars (or a judgment denominated other than in United States dollars in respect of such claim) be converted into United States dollars at a rate of exchange prevailing on a date determined pursuant to applicable law, and (d) governmental authority to limit, delay or prohibit the making of payments outside the United States or in a foreign currency, composite currency or currency unit. In addition, I express no opinion with respect to any Debt Securities that are indexed or linked to any foreign currency, composite currency, currency unit, commodity, equity index or similar index.

2. With respect to the Guarantees, when (i) the trustees of the applicable Trust have taken all necessary action to adopt the Amended Declaration and to fix and determine the terms of the applicable Preferred Securities in accordance with the terms of the applicable Amended Declaration; (ii) the appropriate officers of Occidental have taken all necessary action to fix and determine the terms of the applicable Guarantees in accordance with the Board Resolutions; (iii) the terms of the applicable Preferred Securities and the related Guarantee and the issuance and sale thereof have been duly established in conformity with the applicable Amended Declaration and applicable Guarantee Agreement, respectively, so as not to violate any applicable law, the applicable Certificate of Trust, Declaration of Trust and Amended Declaration, and the Restated Certificate of Incorporation and By-laws of Occidental, or result in a default (with the passage of time or otherwise) under or a breach of any contract, indenture, mortgage, loan agreement, note, lease or other instrument binding upon the Trust or Occidental, and so as to comply with any requirement or restriction imposed by any court or governmental agency or authority having jurisdiction over the applicable Trust or Occidental; (iv) the applicable Guarantee Agreement has been duly executed and delivered; (v) the applicable Preferred Securities have been duly issued and delivered by the applicable Trust as contemplated by the Registration Statement and the prospectus supplement relating thereto; (vi) certificates representing the applicable Preferred Securities have been manually authenticated by an authorized officer of the Property Trustee (as defined in the applicable Amended Declaration) for the applicable Preferred Securities and registered by such Property Trustee and delivered to the purchasers thereof; (vii) the applicable Trust receives the agreed-upon consideration therefor and (viii) the applicable Guarantee Agreement shall have been qualified under the Trust Indenture Act of 1939, as amended, the applicable Guarantee will be a valid and binding obligation of Occidental enforceable in accordance with its terms except as may be subject to or limited by (a) bankruptcy, insolvency, reorganization, moratorium or other similar laws now or hereafter in effect affecting creditors' rights generally, (b) the effect of general principles of equity, including, without limitation, concepts of materiality, reasonableness, good faith and fair dealing and the possible unavailability of specific performance or injunctive relief, regardless of whether considered in a proceeding in equity or at law, (c) requirements that a claim with respect to any Guarantee denominated other than in United States dollars (or a judgment denominated other than in United States dollars in respect of such claim) be converted into United



States dollars at a rate of exchange prevailing on a date determined pursuant to applicable law, (d) governmental authority to limit, delay or prohibit the making of payments outside the United States or in a foreign currency, composite currency or currency unit, and (e) the effect of general rules of contract law that limit the enforceability of provisions requiring indemnification of a party for liability for its own action or inaction to the extent the action or inaction involves gross negligence, recklessness, willful misconduct or unlawful conduct.

The opinions above with respect to the Debt Securities and the Guarantees are limited to the internal laws of the State of New York. The opinion above with respect to the Guarantees is subject to the qualification that certain of the guarantee and surety waivers contained in the Guarantee Agreements may be unenforceable in whole or in part, but the inclusion of such provisions does not affect the validity or enforceability of any Guarantee, taken as a whole.

I call to you attention that federal courts located in New York could decline to hear a case on grounds of forum non-conveniens or any doctrine

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limiting the availability of the federal courts in New York as a forum for the resolution of disputes not having a sufficient nexus to New York and I express no opinion as to any waiver of rights to assert the applicability of the forum non-conveniens doctrine or any such other doctrine.

My opinion above with respect to the Guarantees is rendered in reliance upon the Act of July 19, 1984, ch. 421, 1984 McKinney's Sess. Law of N.Y. 1406 (codified at N.Y. Gen. Oblig. Law (S)(S) 5-1401, 5-1402 (McKinney 1989) and N.Y. CPLR 327(b) (McKinney (1990)) (the "Act") and is subject to the qualifications that such enforceability (i) may be limited by public policy considerations of New York or any other jurisdiction, in which enforcement of such provisions, or of a judgment upon an agreement containing such provisions, is sought, and (ii) as specified in the Act, does not apply to the extent provided to the contrary in subsection two of Section 1-105 of the New York Uniform Commercial Code.

Occidental Petroleum Corporation

January 6, 1999

Page 6

I hereby consent to the filing of this opinion with the Commission as Exhibit 5.1 to the Registration Statement. I also consent to the reference to me under the heading "Legal Opinions" in the Registration Statement. In giving this consent, I do not thereby admit that I am in the category of persons whose consent is required under Section 7 of the Securities Act or the rules and regulations of the Commission.

Very truly yours,

/s/ Robert E. Sawyer, Esq.

[Letterhead of Skadden, Arps, Slate, Meagher & Flom LLP]

January 6, 1999

Occidental Petroleum Corporation  
10889 Wilshire Boulevard  
Los Angeles, CA 90024

Ladies and Gentlemen:

We have acted as special counsel to Occidental Petroleum Corporation, a Delaware corporation (the "Company"), Oxy Capital Trust I, Oxy Capital Trust II and Oxy Capital Trust III, each a statutory business trust created under the Business Trust Act of the State of Delaware (each a "Trust," and collectively, the "Trusts"), in connection with the preparation of the Registration Statement on Form S-3 (No. 333-69303) (the "Registration Statement") filed by the Company and the Trusts with the Securities and Exchange Commission (the "Commission") on December 21, 1998 with respect to the registration under the Securities Act of 1933, as amended (the "Act"), of \$1,400,000,000 aggregate public offering price of (i) the Company's (a) unsecured senior debt securities (the "Senior Debt Securities"), which may be issued pursuant to an indenture, dated as of April 1, 1998, between the Company and The Bank of New York, as Trustee (the "Senior Indenture"); (b) subordinated debt securities (the "Subordinated Debt Securities" and, together with the Senior Debt Securities, the "Debt Securities"), which may be issued pursuant to an indenture (as amended or supplemented, the "Subordinated Indenture"), between the Company and a trustee; and (c) guarantees by the Company of the preferred securities described below (the "Guarantees" and, together with the Debt Securities, the "Company Securities") which may be issued under one or more guarantee agreements which may be entered into by the Company; and (ii) preferred securities (the "Preferred Securities") of the Trusts which may be issued by one or more Trusts pursuant to its Amended and Restated Declaration of Trust (each an "Amended Declaration").

This opinion is being furnished in accordance with the requirements of Item 601(b)(5) of Regulation S-K under the Act.

In connection with this opinion, we have examined originals or copies, certified or otherwise identified to our satisfaction, of (i) the Registration Statement; (ii) the Restated Certificate of Incorporation and By-Laws of the Company, in each case, as amended as of the date hereof; (iii) the Certificate of Trust of each of the Trusts filed with the Secretary of State of the State of Delaware on December 16, 1998; (iv) the form of Amended Declaration of each Trust filed as an exhibit to the Registration Statement; (v) the form of the Preferred Security filed as an exhibit to the Registration Statement; and (vi) certain resolutions of the Board of Directors of the Company relating to the transactions contemplated by the Registration Statement, the creation of the Trusts and related matters (the "Board Resolutions"). We have also examined originals or copies, certified or otherwise identified to our satisfaction, of such other documents, certificates and records as we have deemed necessary or appropriate as a basis for the opinions set forth herein.

In our examination, we have assumed the legal capacity of all natural persons, the genuineness of all signatures, the authenticity of all documents submitted to us as originals, the conformity to original documents of all documents submitted to us as certified or photostatic copies and the authenticity of the originals of such copies. In making our examination of documents executed by parties other than the Company and the Trusts, we have assumed that such parties had the power, corporate or other, to enter into and perform all obligations thereunder and have also assumed the due authorization by all requisite action, corporate or other, and execution and delivery by such parties of such documents and the validity and binding effect thereof on such parties.

In expressing the opinions contained herein, we have assumed with your permission that the execution and delivery by the Company and the Trusts, as applicable, of the Company Securities or the Preferred Securities, the consummation of the transactions contemplated by the Registration Statement and the performance by the

Company and each of the Trusts of their respective obligations under the Company Securities and the Preferred Securities, as applicable, do not and will not violate, conflict with or constitute a breach of or a default (with the passage of time or otherwise) under (i) any contract, indenture, mortgage, loan agreement, note, lease or other instrument to which the Company or any Trust may be bound or to which any of their respective properties is subject, (ii) any provision of any statute, law, rule, or regulation to which the Company or the Trusts may be subject, (iii) any order or decree of any court, governmental agency or authority entered in any proceeding to which the Company or any Trust was or is now a party or by which it is bound or (iv) any consent, approval, license, authorization or validation of, or filing, recording or registration with, any governmental authority. As to any facts material to the opinions expressed herein which we have not independently established or verified, we have relied upon oral or written statements and representations of officers and other representatives of the Company, each of the Trusts and others.

Members of our firm are admitted to the bar in the State of Delaware and we do not express any opinion as to the laws of any other jurisdiction.

Based upon and subject to the foregoing we are of the opinion that:

1. With respect to the Preferred Securities (the "Offered Preferred Securities"), when (i) the trustees of the applicable Trust have taken all necessary action to adopt the Amended Declaration and to fix and determine the terms of the Offered Preferred Securities in accordance with the Amended Declaration; (ii) the terms of the Offered Preferred Securities and of their issuance and sale have been duly established in conformity with the Amended Declaration so as not to violate any applicable law; and (iii) the Offered Preferred Securities have been duly issued and delivered by the applicable Trust as contemplated by the Registration Statement and the prospectus supplement relating thereto, the issuance and sale of the Offered Preferred Securities will have been duly authorized for issuance and, subject to the limitations set forth in paragraph 2 below, will represent fully-paid, nonassessable and undivided beneficial interests in the assets of the applicable Trust.

2. The holders of the Offered Preferred Securities will be entitled to the same limitation of personal liability extended to stockholders of private corporations for profit organized under the Delaware General Corporation Law. We bring to your attention, however, that the holders of the Offered Preferred Securities of each Trust may be obligated, pursuant to the Amended Declaration of such Trust, to (i) provide indemnity and/or security in connection with, and pay taxes or governmental charges arising from, transfers of Offered Preferred Securities and the issuance of replacement Offered Preferred Securities and (ii) provide security and indemnity in connection with requests of, or directions to, the Property Trustee (as defined in the applicable Amended Declaration) to exercise its rights and powers under the applicable Amended Declaration.

We hereby consent to the filing of this opinion with the Commission as an exhibit to the Registration Statement. We also consent to the reference to our firm under the caption "Legal Opinions" in the Registration Statement. In giving this consent, we do not thereby admit that we are included in the category of persons whose consent is required under Section 7 of the Act or the rules and regulations of the Commission. This opinion is expressed as of the date hereof, and we disclaim any undertaking to advise you of any subsequent changes in the facts stated or assumed herein or of any subsequent changes in applicable law.

Very truly yours,

/s/ Skadden, Arps, Slate, Meagher & Flom LLP

FORM T-1

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

STATEMENT OF ELIGIBILITY  
UNDER THE TRUST INDENTURE ACT OF 1939 OF A  
CORPORATION DESIGNATED TO ACT AS TRUSTEE

CHECK IF AN APPLICATION TO DETERMINE  
ELIGIBILITY OF A TRUSTEE PURSUANT TO  
SECTION 305(b)(2)

-----

THE BANK OF NEW YORK  
(Exact name of trustee as specified in its charter)

New York  
(State of incorporation  
if not a U.S. national bank) 13-5160382  
(I.R.S. employer  
identification no.)

One Wall Street, New York, N.Y. 10286  
(Address of principal executive offices) (Zip code)

-----

OCCIDENTAL PETROLEUM CORPORATION  
(Exact name of obligor as specified in its charter)

Delaware  
(State or other jurisdiction of  
incorporation or organization) 95-4035997  
(I.R.S. employer  
identification no.)

10889 Wilshire Boulevard  
Los Angeles, California 90024  
(Address of principal executive offices) (Zip code)

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Debt Securities  
(Title of the indenture securities)

=====

1. GENERAL INFORMATION. FURNISH THE FOLLOWING INFORMATION AS TO THE TRUSTEE:

(a) NAME AND ADDRESS OF EACH EXAMINING OR SUPERVISING AUTHORITY TO WHICH IT IS SUBJECT.

Name	Address
Superintendent of Banks of the State of New York	2 Rector Street, New York, N.Y. 10006, and Albany, N.Y. 12203
Federal Reserve Bank of New York	33 Liberty Plaza, New York, N.Y. 10045
Federal Deposit Insurance Corporation	Washington, D.C. 20429
New York Clearing House Association	New York, New York 10005

(b) WHETHER IT IS AUTHORIZED TO EXERCISE CORPORATE TRUST POWERS.

Yes.

2. AFFILIATIONS WITH OBLIGOR.

IF THE OBLIGOR IS AN AFFILIATE OF THE TRUSTEE, DESCRIBE EACH SUCH AFFILIATION.

None.

16. LIST OF EXHIBITS.

EXHIBITS IDENTIFIED IN PARENTHESES BELOW, ON FILE WITH THE COMMISSION, ARE INCORPORATED HEREIN BY REFERENCE AS AN EXHIBIT HERETO, PURSUANT TO RULE 7a-29 UNDER THE TRUST INDENTURE ACT OF 1939 (THE "ACT") AND 17 C.F.R. 229.10(d).

1. A copy of the Organization Certificate of The Bank of New York (formerly Irving Trust Company) as now in effect, which contains the authority to commence business and a grant of powers to exercise corporate trust powers. (Exhibit 1 to Amendment No. 1 to Form T-1 filed with Registration Statement No. 33-6215, Exhibits 1a and 1b to Form T-1 filed with Registration Statement No. 33-21672 and Exhibit 1 to Form T-1 filed with Registration Statement No. 33-29637.)
4. A copy of the existing By-laws of the Trustee. (Exhibit 4 to Form T-1 filed with Registration Statement No. 33-31019.)
6. The consent of the Trustee required by Section 321(b) of the Act. (Exhibit 6 to Form T-1 filed with Registration Statement No. 33-44051.)
7. A copy of the latest report of condition of the Trustee published pursuant to law or to the requirements of its supervising or examining authority.



SIGNATURE

Pursuant to the requirements of the Act, the Trustee, The Bank of New York, a corporation organized and existing under the laws of the State of New York, has duly caused this statement of eligibility to be signed on its behalf by the undersigned, thereunto duly authorized, all in The City of New York, and State of New York, on the 18th day of December, 1998.

THE BANK OF NEW YORK

By: /s/ MARIE TRIMBOLI

-----  
Name: MARIE TRIMBOLI  
Title: ASSISTANT TREASURER

-----

Consolidated Report of Condition of  
THE BANK OF NEW YORK  
of 48 Wall Street, New York, N.Y. 10286

And Foreign and Domestic Subsidiaries,  
a member of the Federal Reserve System, at the close of business June 30, 1998,  
published in accordance with a call made by the Federal Reserve Bank of this  
District pursuant to the provisions of the Federal Reserve Act.

	Dollar Amounts in Thousands
<b>ASSETS</b>	
Cash and balances due from depository institutions:	
Noninterest-bearing balances and currency and coin.....	\$ 7,301,241
Interest-bearing balances.....	1,385,944
Securities:	
Held-to-maturity securities.....	1,000,737
Available-for-sale securities.....	4,240,655
Federal funds sold and Securities purchased under agreements to resell.....	971,453
Loans and lease financing receivables:	
Loans and leases, net of unearned income..... 38,788,269	
LESS: Allowance for loan and lease losses..... 632,875	
LESS: Allocated transfer risk reserve..... 0	
Loans and leases, net of unearned income, allowance, and reserve.....	38,155,394
Assets held in trading accounts.....	1,307,562
Premises and fixed assets (including capitalized leases).....	670,445
Other real estate owned.....	13,598
Investments in unconsolidated subsidiaries and associated companies.....	215,024
Customers' liability to this bank on acceptances outstanding.....	974,237
Intangible assets.....	1,102,625
Other assets.....	1,944,777
	-----
Total assets.....	\$59,283,692
	=====
<b>LIABILITIES</b>	
Deposits:	
In domestic offices.....	\$26,930,258
Noninterest-bearing..... 11,579,390	
Interest-bearing..... 15,350,868	
In foreign offices, Edge and Agreement subsidiaries, and IBFs.....	16,117,854
Noninterest-bearing..... 187,464	
Interest-bearing..... 15,930,390	
Federal funds purchased and Securities sold under agreements to repurchase..	2,170,238
Demand notes issued to the U.S.Treasury.....	300,000
Trading liabilities.....	1,310,867
Other borrowed money:	
With remaining maturity of one year or less.....	2,549,479
With remaining maturity of more than one year through three years.....	0
With remaining maturity of more than three years.....	46,654
Bank's liability on acceptances executed and outstanding.....	983,398
Subordinated notes and debentures.....	1,314,000
Other liabilities.....	2,295,520
	-----
Total liabilities.....	54,018,268
	-----
<b>EQUITY CAPITAL</b>	
Common stock.....	1,135,284
Surplus.....	731,319
Undivided profits and capital reserves.....	3,385,227
Net unrealized holding gains (losses) on available-for-sale securities.....	51,233
Cumulative foreign currency translation adjustments.....	(37,639)
	-----
Total equity capital.....	5,265,424
	-----
Total liabilities and equity capital.....	\$59,283,692
	=====

I, Robert E. Keilman, Senior Vice President and Comptroller of the above-named bank do hereby declare that this Report of Condition has been prepared in conformance with the instructions issued by the Board of Governors of the

Federal Reserve System and is true to the best of my knowledge and belief.

Robert E. Keilman

We, the undersigned directors, attest to the correctness of this Report of Condition and declare that it has been examined by us and to the best of our knowledge and belief has been prepared in conformance with the instructions issued by the Board of Governors of the Federal Reserve System and is true and correct.

J. Carter Bacot            }  
Thomas A. Renyi           }  
Alan R. Griffith           }

Directors

-----

FORM T-1

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

STATEMENT OF ELIGIBILITY  
UNDER THE TRUST INDENTURE ACT OF 1939 OF A  
CORPORATION DESIGNATED TO ACT AS TRUSTEE

CHECK IF AN APPLICATION TO DETERMINE  
ELIGIBILITY OF A TRUSTEE PURSUANT TO  
SECTION 305(b)(2)

-----

THE BANK OF NEW YORK  
(Exact name of trustee as specified in its charter)

New York 13-5160382  
(State of incorporation (I.R.S. employer  
if not a U.S. national bank) identification no.)

One Wall Street, New York, N.Y. 10286  
(Address of principal executive offices) (Zip code)

-----

OCCIDENTAL PETROLEUM CORPORATION  
(Exact name of obligor as specified in its charter)

Delaware 95-4035997  
(State or other jurisdiction of (I.R.S. employer  
incorporation or organization) identification no.)

10889 Wilshire Boulevard  
Los Angeles, California 90024  
(Address of principal executive offices) (Zip code)

-----

Debt Securities  
(Title of the indenture securities)

=====

1. GENERAL INFORMATION. FURNISH THE FOLLOWING INFORMATION AS TO THE TRUSTEE:

(a) NAME AND ADDRESS OF EACH EXAMINING OR SUPERVISING AUTHORITY TO WHICH IT IS SUBJECT.

Name	Address
Superintendent of Banks of the State of New York	2 Rector Street, New York, N.Y. 10006, and Albany, N.Y. 12203
Federal Reserve Bank of New York	33 Liberty Plaza, New York, N.Y. 10045
Federal Deposit Insurance Corporation	Washington, D.C. 20429
New York Clearing House Association	New York, New York 10005

(b) WHETHER IT IS AUTHORIZED TO EXERCISE CORPORATE TRUST POWERS.

Yes.

2. AFFILIATIONS WITH OBLIGOR.

IF THE OBLIGOR IS AN AFFILIATE OF THE TRUSTEE, DESCRIBE EACH SUCH AFFILIATION.

None.

16. LIST OF EXHIBITS.

EXHIBITS IDENTIFIED IN PARENTHESES BELOW, ON FILE WITH THE COMMISSION, ARE INCORPORATED HEREIN BY REFERENCE AS AN EXHIBIT HERETO, PURSUANT TO RULE 7a-29 UNDER THE TRUST INDENTURE ACT OF 1939 (THE "ACT") AND 17 C.F.R. 229.10(d).

1. A copy of the Organization Certificate of The Bank of New York (formerly Irving Trust Company) as now in effect, which contains the authority to commence business and a grant of powers to exercise corporate trust powers. (Exhibit 1 to Amendment No. 1 to Form T-1 filed with Registration Statement No. 33-6215, Exhibits 1a and 1b to Form T-1 filed with Registration Statement No. 33-21672 and Exhibit 1 to Form T-1 filed with Registration Statement No. 33-29637.)
4. A copy of the existing By-laws of the Trustee. (Exhibit 4 to Form T-1 filed with Registration Statement No. 33-31019.)
6. The consent of the Trustee required by Section 321(b) of the Act. (Exhibit 6 to Form T-1 filed with Registration Statement No. 33-44051.)
7. A copy of the latest report of condition of the Trustee published pursuant to law or to the requirements of its supervising or examining authority.

SIGNATURE

Pursuant to the requirements of the Act, the Trustee, The Bank of New York, a corporation organized and existing under the laws of the State of New York, has duly caused this statement of eligibility to be signed on its behalf by the undersigned, thereunto duly authorized, all in The City of New York, and State of New York, on the 18th day of December, 1998.

THE BANK OF NEW YORK

By: /s/ MARIE TRIMBOLI

-----  
Name: MARIE TRIMBOLI

Title: ASSISTANT TREASURER

-----

Consolidated Report of Condition of  
THE BANK OF NEW YORK  
of 48 Wall Street, New York, N.Y. 10286  
And Foreign and Domestic Subsidiaries,

a member of the Federal Reserve System, at the close of business June 30, 1998,  
published in accordance with a call made by the Federal Reserve Bank of this  
District pursuant to the provisions of the Federal Reserve Act.

	Dollar Amounts in Thousands
<b>ASSETS</b>	
Cash and balances due from depository institutions:	
Noninterest-bearing balances and currency and coin.....	\$ 7,301,241
Interest-bearing balances.....	1,385,944
Securities:	
Held-to-maturity securities.....	1,000,737
Available-for-sale securities.....	4,240,655
Federal funds sold and Securities purchased under agreements to resell.....	971,453
Loans and lease financing receivables:	
Loans and leases, net of unearned income..... 38,788,269	
LESS: Allowance for loan and lease losses..... 632,875	
LESS: Allocated transfer risk reserve..... 0	
Loans and leases, net of unearned income, allowance, and reserve.....	38,155,394
Assets held in trading accounts.....	1,307,562
Premises and fixed assets (including capitalized leases).....	670,445
Other real estate owned.....	13,598
Investments in unconsolidated subsidiaries and associated companies.....	215,024
Customers' liability to this bank on acceptances outstanding.....	974,237
Intangible assets.....	1,102,625
Other assets.....	1,944,777
	-----
Total assets.....	\$59,283,692
	=====
<b>LIABILITIES</b>	
Deposits:	
In domestic offices.....	\$26,930,258
Noninterest-bearing..... 11,579,390	
Interest-bearing..... 15,350,868	
In foreign offices, Edge and Agreement subsidiaries, and IBFs.....	16,117,854
Noninterest-bearing..... 187,464	
Interest-bearing..... 15,930,390	
Federal funds purchased and Securities sold under agreements to repurchase..	2,170,238
Demand notes issued to the U.S.Treasury.....	300,000
Trading liabilities.....	1,310,867
Other borrowed money:	
With remaining maturity of one year or less.....	2,549,479
With remaining maturity of more than one year through three years.....	0
With remaining maturity of more than three years.....	46,654
Bank's liability on acceptances executed and outstanding.....	983,398
Subordinated notes and debentures.....	1,314,000
Other liabilities.....	2,295,520
	-----
Total liabilities.....	54,018,268
	-----
<b>EQUITY CAPITAL</b>	
Common stock.....	1,135,284
Surplus.....	731,319
Undivided profits and capital reserves.....	3,385,227
Net unrealized holding gains (losses) on available-for-sale securities.....	51,233
Cumulative foreign currency translation adjustments.....	(37,639)
	-----
Total equity capital.....	5,265,424
	-----
Total liabilities and equity capital.....	\$59,283,692
	=====

I, Robert E. Keilman, Senior Vice President and Comptroller of the above-named bank do hereby declare that this Report of Condition has been prepared in conformance with the instructions issued by the Board of Governors of the

Federal Reserve System and is true to the best of my knowledge and belief.

Robert E. Keilman

We, the undersigned directors, attest to the correctness of this Report of Condition and declare that it has been examined by us and to the best of our knowledge and belief has been prepared in conformance with the instructions issued by the Board of Governors of the Federal Reserve System and is true and correct.

J. Carter Bacot            }  
Thomas A. Renyi           }  
Alan R. Griffith           }

Directors

-----



FORM T-1

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

STATEMENT OF ELIGIBILITY  
UNDER THE TRUST INDENTURE ACT OF 1939 OF A  
CORPORATION DESIGNATED TO ACT AS TRUSTEE

CHECK IF AN APPLICATION TO DETERMINE  
ELIGIBILITY OF A TRUSTEE PURSUANT TO  
SECTION 305(b)(2)

-----

THE BANK OF NEW YORK  
(Exact name of trustee as specified in its charter)

New York 13-5160382  
(State of incorporation (I.R.S. employer  
if not a U.S. national bank) identification no.)

One Wall Street, New York, N.Y. 10286  
(Address of principal executive offices) (Zip code)

-----

OXY CAPITAL TRUST I  
(Exact name of obligor as specified in its charter)

Delaware (I.R.S. employer  
(State or other jurisdiction of incorporation or organization) identification no.)

10889 Wilshire Boulevard 90024  
Los Angeles, California (Zip code)  
(Address of principal executive offices)

-----

Preferred Securities  
(Title of the indenture securities)

=====

1. GENERAL INFORMATION. FURNISH THE FOLLOWING INFORMATION AS TO THE TRUSTEE:

(a) NAME AND ADDRESS OF EACH EXAMINING OR SUPERVISING AUTHORITY TO WHICH IT IS SUBJECT.

Name	Address
Superintendent of Banks of the State of New York	2 Rector Street, New York, N.Y. 10006, and Albany, N.Y. 12203
Federal Reserve Bank of New York	33 Liberty Plaza, New York, N.Y. 10045
Federal Deposit Insurance Corporation	Washington, D.C. 20429
New York Clearing House Association	New York, New York 10005

(b) WHETHER IT IS AUTHORIZED TO EXERCISE CORPORATE TRUST POWERS.

Yes.

2. AFFILIATIONS WITH OBLIGOR.

IF THE OBLIGOR IS AN AFFILIATE OF THE TRUSTEE, DESCRIBE EACH SUCH AFFILIATION.

None.

16. LIST OF EXHIBITS.

EXHIBITS IDENTIFIED IN PARENTHESES BELOW, ON FILE WITH THE COMMISSION, ARE INCORPORATED HEREIN BY REFERENCE AS AN EXHIBIT HERETO, PURSUANT TO RULE 7a-29 UNDER THE TRUST INDENTURE ACT OF 1939 (THE "ACT") AND 17 C.F.R. 229.10(d).

1. A copy of the Organization Certificate of The Bank of New York (formerly Irving Trust Company) as now in effect, which contains the authority to commence business and a grant of powers to exercise corporate trust powers. (Exhibit 1 to Amendment No. 1 to Form T-1 filed with Registration Statement No. 33-6215, Exhibits 1a and 1b to Form T-1 filed with Registration Statement No. 33-21672 and Exhibit 1 to Form T-1 filed with Registration Statement No. 33-29637.)
4. A copy of the existing By-laws of the Trustee. (Exhibit 4 to Form T-1 filed with Registration Statement No. 33-31019.)
6. The consent of the Trustee required by Section 321(b) of the Act. (Exhibit 6 to Form T-1 filed with Registration Statement No. 33-44051.)
7. A copy of the latest report of condition of the Trustee published pursuant to law or to the requirements of its supervising or examining authority.

SIGNATURE

Pursuant to the requirements of the Act, the Trustee, The Bank of New York, a corporation organized and existing under the laws of the State of New York, has duly caused this statement of eligibility to be signed on its behalf by the undersigned, thereunto duly authorized, all in The City of New York, and State of New York, on the 18th day of December, 1998.

THE BANK OF NEW YORK

By: /s/ MARIE TRIMBOLI

-----  
Name: MARIE TRIMBOLI

Title: ASSISTANT TREASURER

-----

Consolidated Report of Condition of  
THE BANK OF NEW YORK  
of 48 Wall Street, New York, N.Y. 10286  
And Foreign and Domestic Subsidiaries,

a member of the Federal Reserve System, at the close of business June 30, 1998,  
published in accordance with a call made by the Federal Reserve Bank of this  
District pursuant to the provisions of the Federal Reserve Act.

	Dollar Amounts in Thousands
<b>ASSETS</b>	
Cash and balances due from depository institutions:	
Noninterest-bearing balances and currency and coin.....	\$ 7,301,241
Interest-bearing balances.....	1,385,944
Securities:	
Held-to-maturity securities.....	1,000,737
Available-for-sale securities.....	4,240,655
Federal funds sold and Securities purchased under agreements to resell.....	971,453
Loans and lease financing receivables:	
Loans and leases, net of unearned income..... 38,788,269	
LESS: Allowance for loan and lease losses..... 632,875	
LESS: Allocated transfer risk reserve..... 0	
Loans and leases, net of unearned income, allowance, and reserve.....	38,155,394
Assets held in trading accounts.....	1,307,562
Premises and fixed assets (including capitalized leases).....	670,445
Other real estate owned.....	13,598
Investments in unconsolidated subsidiaries and associated companies.....	215,024
Customers' liability to this bank on acceptances outstanding.....	974,237
Intangible assets.....	1,102,625
Other assets.....	1,944,777
	-----
Total assets.....	\$59,283,692 =====
<b>LIABILITIES</b>	
Deposits:	
In domestic offices.....	\$26,930,258
Noninterest-bearing..... 11,579,390	
Interest-bearing..... 15,350,868	
In foreign offices, Edge and Agreement subsidiaries, and IBFs.....	16,117,854
Noninterest-bearing..... 187,464	
Interest-bearing..... 15,930,390	
Federal funds purchased and Securities sold under agreements to repurchase..	2,170,238
Demand notes issued to the U.S.Treasury.....	300,000
Trading liabilities.....	1,310,867
Other borrowed money:	
With remaining maturity of one year or less.....	2,549,479
With remaining maturity of more than one year through three years.....	0
With remaining maturity of more than three years.....	46,654
Bank's liability on acceptances executed and outstanding.....	983,398
Subordinated notes and debentures.....	1,314,000
Other liabilities.....	2,295,520
	-----
Total liabilities.....	54,018,268 -----
<b>EQUITY CAPITAL</b>	
Common stock.....	1,135,284
Surplus.....	731,319
Undivided profits and capital reserves.....	3,385,227
Net unrealized holding gains (losses) on available-for-sale securities.....	51,233
Cumulative foreign currency translation adjustments.....	(37,639)
	-----
Total equity capital.....	5,265,424 -----
Total liabilities and equity capital.....	\$59,283,692 =====

I, Robert E. Keilman, Senior Vice President and Comptroller of the above-named bank do hereby declare that this Report of Condition has been prepared in conformance with the instructions issued by the Board of Governors of the

Federal Reserve System and is true to the best of my knowledge and belief.

Robert E. Keilman

We, the undersigned directors, attest to the correctness of this Report of Condition and declare that it has been examined by us and to the best of our knowledge and belief has been prepared in conformance with the instructions issued by the Board of Governors of the Federal Reserve System and is true and correct.

J. Carter Bacot            }  
Thomas A. Renyi            }  
Alan R. Griffith            }

Directors

-----

FORM T-1

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

STATEMENT OF ELIGIBILITY  
UNDER THE TRUST INDENTURE ACT OF 1939 OF A  
CORPORATION DESIGNATED TO ACT AS TRUSTEE

CHECK IF AN APPLICATION TO DETERMINE  
ELIGIBILITY OF A TRUSTEE PURSUANT TO  
SECTION 305(b)(2)

-----

THE BANK OF NEW YORK  
(Exact name of trustee as specified in its charter)

New York 13-5160382  
(State of incorporation (I.R.S. employer  
if not a U.S. national bank) identification no.)

One Wall Street, New York, N.Y. 10286  
(Address of principal executive offices) (Zip code)

-----

OXY CAPITAL TRUST II  
(Exact name of obligor as specified in its charter)

Delaware (I.R.S. employer  
(State or other jurisdiction of incorporation or organization) identification no.)

10889 Wilshire Boulevard 90024  
Los Angeles, California (Zip code)  
(Address of principal executive offices)

-----

Preferred Securities  
(Title of the indenture securities)

=====

1. GENERAL INFORMATION. FURNISH THE FOLLOWING INFORMATION AS TO THE TRUSTEE:

(a) NAME AND ADDRESS OF EACH EXAMINING OR SUPERVISING AUTHORITY TO WHICH IT IS SUBJECT.

Name	Address
Superintendent of Banks of the State of New York	2 Rector Street, New York, N.Y. 10006, and Albany, N.Y. 12203
Federal Reserve Bank of New York	33 Liberty Plaza, New York, N.Y. 10045
Federal Deposit Insurance Corporation	Washington, D.C. 20429
New York Clearing House Association	New York, New York 10005

(b) WHETHER IT IS AUTHORIZED TO EXERCISE CORPORATE TRUST POWERS.

Yes.

2. AFFILIATIONS WITH OBLIGOR.

IF THE OBLIGOR IS AN AFFILIATE OF THE TRUSTEE, DESCRIBE EACH SUCH AFFILIATION.

None.

16. LIST OF EXHIBITS.

EXHIBITS IDENTIFIED IN PARENTHESES BELOW, ON FILE WITH THE COMMISSION, ARE INCORPORATED HEREIN BY REFERENCE AS AN EXHIBIT HERETO, PURSUANT TO RULE 7a-29 UNDER THE TRUST INDENTURE ACT OF 1939 (THE "ACT") AND 17 C.F.R. 229.10(d).

1. A copy of the Organization Certificate of The Bank of New York (formerly Irving Trust Company) as now in effect, which contains the authority to commence business and a grant of powers to exercise corporate trust powers. (Exhibit 1 to Amendment No. 1 to Form T-1 filed with Registration Statement No. 33-6215, Exhibits 1a and 1b to Form T-1 filed with Registration Statement No. 33-21672 and Exhibit 1 to Form T-1 filed with Registration Statement No. 33-29637.)
4. A copy of the existing By-laws of the Trustee. (Exhibit 4 to Form T-1 filed with Registration Statement No. 33-31019.)
6. The consent of the Trustee required by Section 321(b) of the Act. (Exhibit 6 to Form T-1 filed with Registration Statement No. 33-44051.)
7. A copy of the latest report of condition of the Trustee published pursuant to law or to the requirements of its supervising or examining authority.

SIGNATURE

Pursuant to the requirements of the Act, the Trustee, The Bank of New York, a corporation organized and existing under the laws of the State of New York, has duly caused this statement of eligibility to be signed on its behalf by the undersigned, thereunto duly authorized, all in The City of New York, and State of New York, on the 18th day of December, 1998.

THE BANK OF NEW YORK

By: /s/ MARIE TRIMBOLI

-----  
Name: MARIE TRIMBOLI

Title: ASSISTANT TREASURER



-----

Consolidated Report of Condition of  
THE BANK OF NEW YORK  
of 48 Wall Street, New York, N.Y. 10286  
And Foreign and Domestic Subsidiaries,

a member of the Federal Reserve System, at the close of business June 30, 1998,  
published in accordance with a call made by the Federal Reserve Bank of this  
District pursuant to the provisions of the Federal Reserve Act.

	Dollar Amounts in Thousands
<b>ASSETS</b>	
Cash and balances due from depository institutions:	
Noninterest-bearing balances and currency and coin.....	\$ 7,301,241
Interest-bearing balances.....	1,385,944
Securities:	
Held-to-maturity securities.....	1,000,737
Available-for-sale securities.....	4,240,655
Federal funds sold and Securities purchased under agreements to resell.....	971,453
Loans and lease financing receivables:	
Loans and leases, net of unearned income..... 38,788,269	
LESS: Allowance for loan and lease losses..... 632,875	
LESS: Allocated transfer risk reserve..... 0	
Loans and leases, net of unearned income, allowance, and reserve.....	38,155,394
Assets held in trading accounts.....	1,307,562
Premises and fixed assets (including capitalized leases).....	670,445
Other real estate owned.....	13,598
Investments in unconsolidated subsidiaries and associated companies.....	215,024
Customers' liability to this bank on acceptances outstanding.....	974,237
Intangible assets.....	1,102,625
Other assets.....	1,944,777
	-----
Total assets.....	\$59,283,692
	=====
<b>LIABILITIES</b>	
Deposits:	
In domestic offices.....	\$26,930,258
Noninterest-bearing..... 11,579,390	
Interest-bearing..... 15,350,868	
In foreign offices, Edge and Agreement subsidiaries, and IBFs.....	16,117,854
Noninterest-bearing..... 187,464	
Interest-bearing..... 15,930,390	
Federal funds purchased and Securities sold under agreements to repurchase..	2,170,238
Demand notes issued to the U.S.Treasury.....	300,000
Trading liabilities.....	1,310,867
Other borrowed money:	
With remaining maturity of one year or less.....	2,549,479
With remaining maturity of more than one year through three years.....	0
With remaining maturity of more than three years.....	46,654
Bank's liability on acceptances executed and outstanding.....	983,398
Subordinated notes and debentures.....	1,314,000
Other liabilities.....	2,295,520
	-----
Total liabilities.....	54,018,268
	-----
<b>EQUITY CAPITAL</b>	
Common stock.....	1,135,284
Surplus.....	731,319
Undivided profits and capital reserves.....	3,385,227
Net unrealized holding gains (losses) on available-for-sale securities.....	51,233
Cumulative foreign currency translation adjustments.....	(37,639)
	-----
Total equity capital.....	5,265,424
	-----
Total liabilities and equity capital.....	\$59,283,692
	=====

I, Robert E. Keilman, Senior Vice President and Comptroller of the above-named bank do hereby declare that this Report of Condition has been prepared in conformance with the instructions issued by the Board of Governors of the

Federal Reserve System and is true to the best of my knowledge and belief.

Robert E. Keilman

We, the undersigned directors, attest to the correctness of this Report of Condition and declare that it has been examined by us and to the best of our knowledge and belief has been prepared in conformance with the instructions issued by the Board of Governors of the Federal Reserve System and is true and correct.

J. Carter Bacot            }  
Thomas A. Renyi           }  
Alan R. Griffith           }

Directors

-----

FORM T-1

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

STATEMENT OF ELIGIBILITY  
UNDER THE TRUST INDENTURE ACT OF 1939 OF A  
CORPORATION DESIGNATED TO ACT AS TRUSTEE

CHECK IF AN APPLICATION TO DETERMINE  
ELIGIBILITY OF A TRUSTEE PURSUANT TO  
SECTION 305(b)(2)

-----  
THE BANK OF NEW YORK  
(Exact name of trustee as specified in its charter)

New York 13-5160382  
(State of incorporation (I.R.S. employer  
if not a U.S. national bank) identification no.)

One Wall Street, New York, N.Y. 10286  
(Address of principal executive offices) (Zip code)

-----  
OXY CAPITAL TRUST III  
(Exact name of obligor as specified in its charter)

Delaware (I.R.S. employer  
(State or other jurisdiction of incorporation or organization) identification no.)

10889 Wilshire Boulevard 90024  
Los Angeles, California (Zip code)  
(Address of principal executive offices)

-----  
Preferred Securities  
(Title of the indenture securities)

1. GENERAL INFORMATION. FURNISH THE FOLLOWING INFORMATION AS TO THE TRUSTEE:

(a) NAME AND ADDRESS OF EACH EXAMINING OR SUPERVISING AUTHORITY TO WHICH IT IS SUBJECT.

Name	Address
Superintendent of Banks of the State of New York	2 Rector Street, New York, N.Y. 10006, and Albany, N.Y. 12203
Federal Reserve Bank of New York	33 Liberty Plaza, New York, N.Y. 10045
Federal Deposit Insurance Corporation	Washington, D.C. 20429
New York Clearing House Association	New York, New York 10005

(b) WHETHER IT IS AUTHORIZED TO EXERCISE CORPORATE TRUST POWERS.

Yes.

2. AFFILIATIONS WITH OBLIGOR.

IF THE OBLIGOR IS AN AFFILIATE OF THE TRUSTEE, DESCRIBE EACH SUCH AFFILIATION.

None.

16. LIST OF EXHIBITS.

EXHIBITS IDENTIFIED IN PARENTHESES BELOW, ON FILE WITH THE COMMISSION, ARE INCORPORATED HEREIN BY REFERENCE AS AN EXHIBIT HERETO, PURSUANT TO RULE 7a-29 UNDER THE TRUST INDENTURE ACT OF 1939 (THE "ACT") AND 17 C.F.R. 229.10(d).

1. A copy of the Organization Certificate of The Bank of New York (formerly Irving Trust Company) as now in effect, which contains the authority to commence business and a grant of powers to exercise corporate trust powers. (Exhibit 1 to Amendment No. 1 to Form T-1 filed with Registration Statement No. 33-6215, Exhibits 1a and 1b to Form T-1 filed with Registration Statement No. 33-21672 and Exhibit 1 to Form T-1 filed with Registration Statement No. 33-29637.)
4. A copy of the existing By-laws of the Trustee. (Exhibit 4 to Form T-1 filed with Registration Statement No. 33-31019.)
6. The consent of the Trustee required by Section 321(b) of the Act. (Exhibit 6 to Form T-1 filed with Registration Statement No. 33-44051.)
7. A copy of the latest report of condition of the Trustee published pursuant to law or to the requirements of its supervising or examining authority.

SIGNATURE

Pursuant to the requirements of the Act, the Trustee, The Bank of New York, a corporation organized and existing under the laws of the State of New York, has duly caused this statement of eligibility to be signed on its behalf by the undersigned, thereunto duly authorized, all in The City of New York, and State of New York, on the 18th day of December, 1998.

THE BANK OF NEW YORK

By: /s/ MARIE TRIMBOLI

-----  
Name: MARIE TRIMBOLI

Title: ASSISTANT TREASURER

-----

Consolidated Report of Condition of  
THE BANK OF NEW YORK  
of 48 Wall Street, New York, N.Y. 10286

And Foreign and Domestic Subsidiaries,  
a member of the Federal Reserve System, at the close of business June 30, 1998,  
published in accordance with a call made by the Federal Reserve Bank of this  
District pursuant to the provisions of the Federal Reserve Act.

	Dollar Amounts in Thousands
<b>ASSETS</b>	
Cash and balances due from depository institutions:	
Noninterest-bearing balances and currency and coin.....	\$ 7,301,241
Interest-bearing balances.....	1,385,944
Securities:	
Held-to-maturity securities.....	1,000,737
Available-for-sale securities.....	4,240,655
Federal funds sold and Securities purchased under agreements to resell.....	971,453
Loans and lease financing receivables:	
Loans and leases, net of unearned income..... 38,788,269	
LESS: Allowance for loan and lease losses..... 632,875	
LESS: Allocated transfer risk reserve..... 0	
Loans and leases, net of unearned income, allowance, and reserve.....	38,155,394
Assets held in trading accounts.....	1,307,562
Premises and fixed assets (including capitalized leases).....	670,445
Other real estate owned.....	13,598
Investments in unconsolidated subsidiaries and associated companies.....	215,024
Customers' liability to this bank on acceptances outstanding.....	974,237
Intangible assets.....	1,102,625
Other assets.....	1,944,777
	-----
Total assets.....	\$59,283,692
	=====
<b>LIABILITIES</b>	
Deposits:	
In domestic offices.....	\$26,930,258
Noninterest-bearing..... 11,579,390	
Interest-bearing..... 15,350,868	
In foreign offices, Edge and Agreement subsidiaries, and IBFs.....	16,117,854
Noninterest-bearing..... 187,464	
Interest-bearing..... 15,930,390	
Federal funds purchased and Securities sold under agreements to repurchase..	2,170,238
Demand notes issued to the U.S.Treasury.....	300,000
Trading liabilities.....	1,310,867
Other borrowed money:	
With remaining maturity of one year or less.....	2,549,479
With remaining maturity of more than one year through three years.....	0
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Bank's liability on acceptances executed and outstanding.....	983,398
Subordinated notes and debentures.....	1,314,000
Other liabilities.....	2,295,520
	-----
Total liabilities.....	54,018,268
	-----
<b>EQUITY CAPITAL</b>	
Common stock.....	1,135,284
Surplus.....	731,319
Undivided profits and capital reserves.....	3,385,227
Net unrealized holding gains (losses) on available-for-sale securities.....	51,233
Cumulative foreign currency translation adjustments.....	(37,639)
	-----
Total equity capital.....	5,265,424
	-----
Total liabilities and equity capital.....	\$59,283,692
	=====

I, Robert E. Keilman, Senior Vice President and Comptroller of the above-named bank do hereby declare that this Report of Condition has been prepared in conformance with the instructions issued by the Board of Governors of the

Federal Reserve System and is true to the best of my knowledge and belief.

Robert E. Keilman

We, the undersigned directors, attest to the correctness of this Report of Condition and declare that it has been examined by us and to the best of our knowledge and belief has been prepared in conformance with the instructions issued by the Board of Governors of the Federal Reserve System and is true and correct.

J. Carter Bacot            }  
Thomas A. Renyi           }  
Alan R. Griffith           }

Directors

-----

FORM T-1

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

STATEMENT OF ELIGIBILITY  
UNDER THE TRUST INDENTURE ACT OF 1939 OF A  
CORPORATION DESIGNATED TO ACT AS TRUSTEE

CHECK IF AN APPLICATION TO DETERMINE  
ELIGIBILITY OF A TRUSTEE PURSUANT TO  
SECTION 305(b)(2)

-----

THE BANK OF NEW YORK  
(Exact name of trustee as specified in its charter)

New York 13-5160382  
(State of incorporation (I.R.S. employer  
if not a U.S. national bank) identification no.)

One Wall Street, New York, N.Y. 10286  
(Address of principal executive offices) (Zip code)

-----

OCCIDENTAL PETROLEUM CORPORATION  
(Exact name of obligor as specified in its charter)

Delaware 95-4035997  
(State or other jurisdiction of (I.R.S. employer  
incorporation or organization) identification no.)

10889 Wilshire Boulevard  
Los Angeles, California 90024  
(Address of principal executive offices) (Zip code)

-----

Guarantee of Preferred Securities of OXY Capital Trust I  
(Title of the indenture securities)

=====



1. GENERAL INFORMATION. FURNISH THE FOLLOWING INFORMATION AS TO THE TRUSTEE:

(a) NAME AND ADDRESS OF EACH EXAMINING OR SUPERVISING AUTHORITY TO WHICH IT IS SUBJECT.

Name	Address
Superintendent of Banks of the State of New York	2 Rector Street, New York, N.Y. 10006, and Albany, N.Y. 12203
Federal Reserve Bank of New York	33 Liberty Plaza, New York, N.Y. 10045
Federal Deposit Insurance Corporation	Washington, D.C. 20429
New York Clearing House Association	New York, New York 10005

(b) WHETHER IT IS AUTHORIZED TO EXERCISE CORPORATE TRUST POWERS.

Yes.

2. AFFILIATIONS WITH OBLIGOR.

IF THE OBLIGOR IS AN AFFILIATE OF THE TRUSTEE, DESCRIBE EACH SUCH AFFILIATION.

None.

16. LIST OF EXHIBITS.

EXHIBITS IDENTIFIED IN PARENTHESES BELOW, ON FILE WITH THE COMMISSION, ARE INCORPORATED HEREIN BY REFERENCE AS AN EXHIBIT HERETO, PURSUANT TO RULE 7a-29 UNDER THE TRUST INDENTURE ACT OF 1939 (THE "ACT") AND 17 C.F.R. 229.10(d).

1. A copy of the Organization Certificate of The Bank of New York (formerly Irving Trust Company) as now in effect, which contains the authority to commence business and a grant of powers to exercise corporate trust powers. (Exhibit 1 to Amendment No. 1 to Form T-1 filed with Registration Statement No. 33-6215, Exhibits 1a and 1b to Form T-1 filed with Registration Statement No. 33-21672 and Exhibit 1 to Form T-1 filed with Registration Statement No. 33-29637.)
4. A copy of the existing By-laws of the Trustee. (Exhibit 4 to Form T-1 filed with Registration Statement No. 33-31019.)
6. The consent of the Trustee required by Section 321(b) of the Act. (Exhibit 6 to Form T-1 filed with Registration Statement No. 33-44051.)
7. A copy of the latest report of condition of the Trustee published pursuant to law or to the requirements of its supervising or examining authority.

SIGNATURE

Pursuant to the requirements of the Act, the Trustee, The Bank of New York, a corporation organized and existing under the laws of the State of New York, has duly caused this statement of eligibility to be signed on its behalf by the undersigned, thereunto duly authorized, all in The City of New York, and State of New York, on the 18th day of December, 1998.

THE BANK OF NEW YORK

By: /s/ MARIE TRIMBOLI

-----  
Name: MARIE TRIMBOLI

Title: ASSISTANT TREASURER

-----

Consolidated Report of Condition of  
THE BANK OF NEW YORK  
of 48 Wall Street, New York, N.Y. 10286  
And Foreign and Domestic Subsidiaries,

a member of the Federal Reserve System, at the close of business June 30, 1998,  
published in accordance with a call made by the Federal Reserve Bank of this  
District pursuant to the provisions of the Federal Reserve Act.

ASSETS	Dollar Amounts in Thousands
Cash and balances due from depository institutions:	
Noninterest-bearing balances and currency and coin.....	\$ 7,301,241
Interest-bearing balances.....	1,385,944
Securities:	
Held-to-maturity securities.....	1,000,737
Available-for-sale securities.....	4,240,655
Federal funds sold and Securities purchased under agreements to resell.....	971,453
Loans and lease financing receivables:	
Loans and leases, net of unearned income..... 38,788,269	
LESS: Allowance for loan and lease losses..... 632,875	
LESS: Allocated transfer risk reserve..... 0	
Loans and leases, net of unearned income, allowance, and reserve.....	38,155,394
Assets held in trading accounts.....	1,307,562
Premises and fixed assets (including capitalized leases).....	670,445
Other real estate owned.....	13,598
Investments in unconsolidated subsidiaries and associated companies.....	215,024
Customers' liability to this bank on acceptances outstanding.....	974,237
Intangible assets.....	1,102,625
Other assets.....	1,944,777
Total assets.....	\$59,283,692 =====
LIABILITIES	
Deposits:	
In domestic offices.....	\$26,930,258
Noninterest-bearing..... 11,579,390	
Interest-bearing..... 15,350,868	
In foreign offices, Edge and Agreement subsidiaries, and IBFs.....	16,117,854
Noninterest-bearing..... 187,464	
Interest-bearing..... 15,930,390	
Federal funds purchased and Securities sold under agreements to repurchase..	2,170,238
Demand notes issued to the U.S.Treasury.....	300,000
Trading liabilities.....	1,310,867
Other borrowed money:	
With remaining maturity of one year or less.....	2,549,479
With remaining maturity of more than one year through three years.....	0
With remaining maturity of more than three years.....	46,654
Bank's liability on acceptances executed and outstanding.....	983,398
Subordinated notes and debentures.....	1,314,000
Other liabilities.....	2,295,520
Total liabilities.....	54,018,268 -----
EQUITY CAPITAL	
Common stock.....	1,135,284
Surplus.....	731,319
Undivided profits and capital reserves.....	3,385,227
Net unrealized holding gains (losses) on available-for-sale securities.....	51,233
Cumulative foreign currency translation adjustments.....	(37,639)
Total equity capital.....	5,265,424 -----
Total liabilities and equity capital.....	\$59,283,692 =====

I, Robert E. Keilman, Senior Vice President and Comptroller of the above-named bank do hereby declare that this Report of Condition has been prepared in conformance with the instructions issued by the Board of Governors of the

Federal Reserve System and is true to the best of my knowledge and belief.

Robert E. Keilman

We, the undersigned directors, attest to the correctness of this Report of Condition and declare that it has been examined by us and to the best of our knowledge and belief has been prepared in conformance with the instructions issued by the Board of Governors of the Federal Reserve System and is true and correct.

J. Carter Bacot            }  
Thomas A. Renyi           }  
Alan R. Griffith           }

Directors

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FORM T-1

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

STATEMENT OF ELIGIBILITY  
UNDER THE TRUST INDENTURE ACT OF 1939 OF A  
CORPORATION DESIGNATED TO ACT AS TRUSTEE

CHECK IF AN APPLICATION TO DETERMINE  
ELIGIBILITY OF A TRUSTEE PURSUANT TO  
SECTION 305(b)(2)

-----

THE BANK OF NEW YORK  
(Exact name of trustee as specified in its charter)

New York 13-5160382  
(State of incorporation (I.R.S. employer  
if not a U.S. national bank) identification no.)

One Wall Street, New York, N.Y. 10286  
(Address of principal executive offices) (Zip code)

-----

OCCIDENTAL PETROLEUM CORPORATION  
(Exact name of obligor as specified in its charter)

Delaware 95-4035997  
(State or other jurisdiction of (I.R.S. employer  
incorporation or organization) identification no.)

10889 Wilshire Boulevard  
Los Angeles, California 90024  
(Address of principal executive offices) (Zip code)

-----

Guarantee of Preferred Securities of OXY Capital Trust II  
(Title of the indenture securities)

=====

1. GENERAL INFORMATION. FURNISH THE FOLLOWING INFORMATION AS TO THE TRUSTEE:

(a) NAME AND ADDRESS OF EACH EXAMINING OR SUPERVISING AUTHORITY TO WHICH IT IS SUBJECT.

Name	Address
Superintendent of Banks of the State of New York	2 Rector Street, New York, N.Y. 10006, and Albany, N.Y. 12203
Federal Reserve Bank of New York	33 Liberty Plaza, New York, N.Y. 10045
Federal Deposit Insurance Corporation	Washington, D.C. 20429
New York Clearing House Association	New York, New York 10005

(b) WHETHER IT IS AUTHORIZED TO EXERCISE CORPORATE TRUST POWERS.

Yes.

2. AFFILIATIONS WITH OBLIGOR.

IF THE OBLIGOR IS AN AFFILIATE OF THE TRUSTEE, DESCRIBE EACH SUCH AFFILIATION.

None.

16. LIST OF EXHIBITS.

EXHIBITS IDENTIFIED IN PARENTHESES BELOW, ON FILE WITH THE COMMISSION, ARE INCORPORATED HEREIN BY REFERENCE AS AN EXHIBIT HERETO, PURSUANT TO RULE 7a-29 UNDER THE TRUST INDENTURE ACT OF 1939 (THE "ACT") AND 17 C.F.R. 229.10(d).

1. A copy of the Organization Certificate of The Bank of New York (formerly Irving Trust Company) as now in effect, which contains the authority to commence business and a grant of powers to exercise corporate trust powers. (Exhibit 1 to Amendment No. 1 to Form T-1 filed with Registration Statement No. 33-6215, Exhibits 1a and 1b to Form T-1 filed with Registration Statement No. 33-21672 and Exhibit 1 to Form T-1 filed with Registration Statement No. 33-29637.)
4. A copy of the existing By-laws of the Trustee. (Exhibit 4 to Form T-1 filed with Registration Statement No. 33-31019.)
6. The consent of the Trustee required by Section 321(b) of the Act. (Exhibit 6 to Form T-1 filed with Registration Statement No. 33-44051.)
7. A copy of the latest report of condition of the Trustee published pursuant to law or to the requirements of its supervising or examining authority.

SIGNATURE

Pursuant to the requirements of the Act, the Trustee, The Bank of New York, a corporation organized and existing under the laws of the State of New York, has duly caused this statement of eligibility to be signed on its behalf by the undersigned, thereunto duly authorized, all in The City of New York, and State of New York, on the 18th day of December, 1998.

THE BANK OF NEW YORK

By: /s/ MARIE TRIMBOLI

-----  
Name: MARIE TRIMBOLI

Title: ASSISTANT TREASURER

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Consolidated Report of Condition of  
THE BANK OF NEW YORK  
of 48 Wall Street, New York, N.Y. 10286

And Foreign and Domestic Subsidiaries,  
a member of the Federal Reserve System, at the close of business June 30, 1998,  
published in accordance with a call made by the Federal Reserve Bank of this  
District pursuant to the provisions of the Federal Reserve Act.

	Dollar Amounts in Thousands
<b>ASSETS</b>	
Cash and balances due from depository institutions:	
Noninterest-bearing balances and currency and coin.....	\$ 7,301,241
Interest-bearing balances.....	1,385,944
Securities:	
Held-to-maturity securities.....	1,000,737
Available-for-sale securities.....	4,240,655
Federal funds sold and Securities purchased under agreements to resell.....	971,453
Loans and lease financing receivables:	
Loans and leases, net of unearned income..... 38,788,269	
LESS: Allowance for loan and lease losses..... 632,875	
LESS: Allocated transfer risk reserve..... 0	
Loans and leases, net of unearned income, allowance, and reserve.....	38,155,394
Assets held in trading accounts.....	1,307,562
Premises and fixed assets (including capitalized leases).....	670,445
Other real estate owned.....	13,598
Investments in unconsolidated subsidiaries and associated companies.....	215,024
Customers' liability to this bank on acceptances outstanding.....	974,237
Intangible assets.....	1,102,625
Other assets.....	1,944,777
	-----
Total assets.....	\$59,283,692
	=====
<b>LIABILITIES</b>	
Deposits:	
In domestic offices.....	\$26,930,258
Noninterest-bearing..... 11,579,390	
Interest-bearing..... 15,350,868	
In foreign offices, Edge and Agreement subsidiaries, and IBFs.....	16,117,854
Noninterest-bearing..... 187,464	
Interest-bearing..... 15,930,390	
Federal funds purchased and Securities sold under agreements to repurchase..	2,170,238
Demand notes issued to the U.S.Treasury.....	300,000
Trading liabilities.....	1,310,867
Other borrowed money:	
With remaining maturity of one year or less.....	2,549,479
With remaining maturity of more than one year through three years.....	0
With remaining maturity of more than three years.....	46,654
Bank's liability on acceptances executed and outstanding.....	983,398
Subordinated notes and debentures.....	1,314,000
Other liabilities.....	2,295,520
	-----
Total liabilities.....	54,018,268
	-----
<b>EQUITY CAPITAL</b>	
Common stock.....	1,135,284
Surplus.....	731,319
Undivided profits and capital reserves.....	3,385,227
Net unrealized holding gains (losses) on available-for-sale securities.....	51,233
Cumulative foreign currency translation adjustments.....	(37,639)
	-----
Total equity capital.....	5,265,424
	-----
Total liabilities and equity capital.....	\$59,283,692
	=====

I, Robert E. Keilman, Senior Vice President and Comptroller of the above-named bank do hereby declare that this Report of Condition has been prepared in conformance with the instructions issued by the Board of Governors of the



Federal Reserve System and is true to the best of my knowledge and belief.

Robert E. Keilman

We, the undersigned directors, attest to the correctness of this Report of Condition and declare that it has been examined by us and to the best of our knowledge and belief has been prepared in conformance with the instructions issued by the Board of Governors of the Federal Reserve System and is true and correct.

J. Carter Bacot            }  
Thomas A. Renyi           }  
Alan R. Griffith           }

Directors

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FORM T-1

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

STATEMENT OF ELIGIBILITY  
UNDER THE TRUST INDENTURE ACT OF 1939 OF A  
CORPORATION DESIGNATED TO ACT AS TRUSTEE

CHECK IF AN APPLICATION TO DETERMINE  
ELIGIBILITY OF A TRUSTEE PURSUANT TO  
SECTION 305(b)(2)

-----

THE BANK OF NEW YORK  
(Exact name of trustee as specified in its charter)

New York 13-5160382  
(State of incorporation (I.R.S. employer  
if not a U.S. national bank) identification no.)

One Wall Street, New York, N.Y. 10286  
(Address of principal executive offices) (Zip code)

-----

OCCIDENTAL PETROLEUM CORPORATION  
(Exact name of obligor as specified in its charter)

Delaware 95-4035997  
(State or other jurisdiction of (I.R.S. employer  
incorporation or organization) identification no.)

10889 Wilshire Boulevard  
Los Angeles, California 90024  
(Address of principal executive offices) (Zip code)

-----

Guarantee of Preferred Securities of OXY Capital Trust III  
(Title of the indenture securities)

=====

1. GENERAL INFORMATION. FURNISH THE FOLLOWING INFORMATION AS TO THE TRUSTEE:

(a) NAME AND ADDRESS OF EACH EXAMINING OR SUPERVISING AUTHORITY TO WHICH IT IS SUBJECT.

Name	Address
Superintendent of Banks of the State of New York	2 Rector Street, New York, N.Y. 10006, and Albany, N.Y. 12203
Federal Reserve Bank of New York	33 Liberty Plaza, New York, N.Y. 10045
Federal Deposit Insurance Corporation	Washington, D.C. 20429
New York Clearing House Association	New York, New York 10005

(b) WHETHER IT IS AUTHORIZED TO EXERCISE CORPORATE TRUST POWERS.

Yes.

2. AFFILIATIONS WITH OBLIGOR.

IF THE OBLIGOR IS AN AFFILIATE OF THE TRUSTEE, DESCRIBE EACH SUCH AFFILIATION.

None.

16. LIST OF EXHIBITS.

EXHIBITS IDENTIFIED IN PARENTHESES BELOW, ON FILE WITH THE COMMISSION, ARE INCORPORATED HEREIN BY REFERENCE AS AN EXHIBIT HERETO, PURSUANT TO RULE 7a-29 UNDER THE TRUST INDENTURE ACT OF 1939 (THE "ACT") AND 17 C.F.R. 229.10(d).

1. A copy of the Organization Certificate of The Bank of New York (formerly Irving Trust Company) as now in effect, which contains the authority to commence business and a grant of powers to exercise corporate trust powers. (Exhibit 1 to Amendment No. 1 to Form T-1 filed with Registration Statement No. 33-6215, Exhibits 1a and 1b to Form T-1 filed with Registration Statement No. 33-21672 and Exhibit 1 to Form T-1 filed with Registration Statement No. 33-29637.)
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6. The consent of the Trustee required by Section 321(b) of the Act. (Exhibit 6 to Form T-1 filed with Registration Statement No. 33-44051.)
7. A copy of the latest report of condition of the Trustee published pursuant to law or to the requirements of its supervising or examining authority.

SIGNATURE

Pursuant to the requirements of the Act, the Trustee, The Bank of New York, a corporation organized and existing under the laws of the State of New York, has duly caused this statement of eligibility to be signed on its behalf by the undersigned, thereunto duly authorized, all in The City of New York, and State of New York, on the 18th day of December, 1998.

THE BANK OF NEW YORK

By: /s/ MARIE TRIMBOLI

-----  
Name: MARIE TRIMBOLI

Title: ASSISTANT TREASURER

-----

Consolidated Report of Condition of  
THE BANK OF NEW YORK  
of 48 Wall Street, New York, N.Y. 10286

And Foreign and Domestic Subsidiaries,  
a member of the Federal Reserve System, at the close of business June 30, 1998,  
published in accordance with a call made by the Federal Reserve Bank of this  
District pursuant to the provisions of the Federal Reserve Act.

	Dollar Amounts in Thousands
<b>ASSETS</b>	
Cash and balances due from depository institutions:	
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Interest-bearing balances.....	1,385,944
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Total liabilities.....	54,018,268 -----
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Surplus.....	731,319
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Cumulative foreign currency translation adjustments.....	(37,639)
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Total equity capital.....	5,265,424 -----
Total liabilities and equity capital.....	\$59,283,692 =====

I, Robert E. Keilman, Senior Vice President and Comptroller of the above-named bank do hereby declare that this Report of Condition has been prepared in conformance with the instructions issued by the Board of Governors of the

Federal Reserve System and is true to the best of my knowledge and belief.

Robert E. Keilman

We, the undersigned directors, attest to the correctness of this Report of Condition and declare that it has been examined by us and to the best of our knowledge and belief has been prepared in conformance with the instructions issued by the Board of Governors of the Federal Reserve System and is true and correct.

J. Carter Bacot            }  
Thomas A. Renyi           }  
Alan R. Griffith           }

Directors

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