OCCIDENTAL PETROLEUM CORP /DE/
Form DEF 14A
March 25, 2014
UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the Securities

Exchange Act of 1934 (Amendment No.)

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OCCIDENTAL PETROLEUM CORPORATION

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

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Letter to Stockholders
from the Chairman of the Board and the
President and Chief Executive Officer

DEAR

STOCKHOLDERS

On behalf of the Board of Directors, it is our pleasure to invite you to Occidental's 2014 Annual Meeting of Stockholders, which will be held in Houston, Texas, May 2, 2014, at 10:30 a.m.

Before the meeting begins, there will be an opportunity to meet informally with members of Occidental's management team. Enclosed are the Notice of Annual Meeting and the Proxy Statement, which provides the time and date of the meeting and describes in detail the matters on which you are being asked to vote. These matters include electing the directors, an advisory vote approving executive compensation, modifying the company's certificate of incorporation to provide for written consent by stockholders, ratifying the selection of independent auditors, and transacting any other business that properly comes before the meeting, including any stockholder proposals.

Also enclosed are a Report to Stockholders, which discusses highlights of the year, and Occidental's Annual Report on Form 10-K. As in the past, at the meeting there will be a report on operations and an opportunity for you to ask questions.

Whether you plan to attend the meeting or not, we encourage you to vote promptly so that your shares will be represented and properly voted at the meeting.

Sincerely,

Edward P. Djerejian	**Stephen I. Chazen**
Chairman of the Board	President and
	Chief Executive Officer

Notice of Annual Meeting
of Stockholders

2014

ANNUAL
MEETING

March 25, 2014

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

To Our Stockholders:

Occidental's 2014 Annual Meeting of Stockholders will be held at 10:30 a.m. on Friday, May 2, 2014, in the Bravo Ballroom, Hotel Derek, 2525 West Loop South, Houston, Texas.

At the meeting, stockholders will act on the following matters and will consider all other matters properly brought before the meeting, including stockholder proposals:

Proposal 1:	Election of directors
Proposal 2:	One-year waiver of director age restriction for Edward P. Djerejian, an independent director
Proposal 3:	Advisory vote approving executive compensation
Proposal 4:	Ability of stockholders to act by written consent
Proposal 5:	Separation of the roles of Chairman of the Board and Chief Executive Officer
Proposal 6:	Ratification of selection of KPMG LLP as independent auditors
Proposals 7-10:	The Board of Directors knows of four stockholder proposals that may be presented

These matters are described in detail in the Proxy Statement. The Board of Directors recommends a vote FOR Proposals 1, 2, 3, 4, 5 and 6; and AGAINST Proposals 7, 8, 9 and 10.

Stockholders of record at the close of business on March 13, 2014, are entitled to receive notice of, to attend and to vote at the meeting.

Whether you plan to attend or not, it is important that you read the Proxy Statement and follow the instructions on your proxy card to submit a proxy by mail, telephone or Internet. This will ensure that your shares are represented and will save Occidental additional expenses of soliciting proxies.

Sincerely,

Donald P. de Brier

Corporate Executive Vice President and Corporate Secretary
Occidental Petroleum Corporation
10889 Wilshire Boulevard
Los Angeles, CA 90024

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Proposal 1:
Election of Directors

PROPOSAL 1: ELECTION OF DIRECTORS

Pursuant to Occidental's by-laws, directors are elected by the majority of votes cast with respect to such director, meaning that the number of votes cast "for" a director must exceed the number of votes cast "against" that director. Any director who receives a greater number of votes "against" his or her election than votes "for" in an uncontested election must tender his or her resignation. Unless accepted earlier by the Board of Directors, such resignation will become effective on October 31st of the year of the election.

Unless you specify differently on the proxy card, proxies received will be voted FOR Spencer Abraham, Howard I. Atkins, Eugene L. Batchelder, Stephen I. Chazen, Edward P. Djerejian, John E. Feick, Margaret M. Foran, Carlos M. Gutierrez, William R. Klesse, Avedick B. Poladian and Elisse B. Walter to serve for a one-year term ending at the 2015 Annual Meeting, but in any event, until his or her successor is elected and qualified, unless ended earlier due to his or her death, resignation, disqualification or removal from office. In the event any nominee should be unavailable at the time of the meeting, the proxies may be voted for a substitute nominee selected by the Board of Directors.

The Board of Directors has determined that all directors, other than Mr. Chazen, meet the independence standards of Occidental's Corporate Governance Policies and the New York Stock Exchange Listed Company Manual.

The following biographical information is furnished with respect to each of the nominees for election at the 2014 Annual Meeting, together with a discussion of each nominee's experience, qualifications and attributes or skills that led to the conclusion that such person should serve as a director.

Descriptions of the responsibilities of the six standing Board committees follow the biographical information.

The Board of Directors recommends a vote FOR all of the nominees.

SPENCER ABRAHAM

Director since 2005

Vice Chairman of the Board

Committees: *Chair of Management Succession and Talent Development Committee; Member of Corporate Governance, Nominating and Social Responsibility Committee; Environmental, Health and Safety Committee; and Executive Compensation Committee*

Secretary Abraham, 61, is Chairman and Chief Executive Officer of The Abraham Group LLC, an international strategic consulting firm based in Washington, D.C. He is also the Chairman and Chief Executive Officer of Abraham & Roetzel LLC, a bipartisan government affairs and issue management firm. He represented Michigan in the United States Senate prior to President George W. Bush selecting him as the tenth Secretary of

Energy in U.S. history. During his tenure at the Energy Department from 2001 through January 2005, he developed policies and regulations to ensure the nation's energy security, was responsible for the U.S. Strategic Petroleum Reserve, oversaw domestic oil and gas development policy and developed relationships with international governments, including members of the Organization of the Petroleum Exporting Countries. Secretary Abraham serves as a Director of PBF Energy Inc., where he serves on the Compensation and Nominating & Corporate Governance Committees, and NRG Energy, Inc., where he serves on the Compensation and Nuclear Oversight Committee, and as Chairman of the Advisory Boards of Lynx Global Realty Asset Fund Onshore LLC and Uranium Energy Corp. He was previously a Director of GenOn Energy, Inc. and a Director and a member of the Nominating and Governance and Compensation Committees of ICx Technologies. He also serves on the boards or advisory committees of Sindicatum Sustainable Resources and C3. Secretary Abraham is a member of the Advisory Board of the Churchill Center. He holds a Juris Doctor degree from Harvard Law School and is the author of, "Lights Out!: Ten Myths About (and Real Solutions to) America's Energy Crisis."

Qualifications: Secretary Abraham's nearly two decades at the highest levels of domestic and international policy and politics shape the insights he brings to Occidental's Board of Directors. As a former U.S. Senator and former U.S. Secretary of Energy who directed all aspects of the country's energy strategy, Secretary Abraham provides the Board unique insight into public policy and energy-related issues. In addition, Secretary Abraham is a Harvard-educated attorney who, while directing the Energy Department, oversaw a budget of nearly $24 billion (FY 2005) and was responsible for the management of senior department personnel. Secretary Abraham's legal training, and his government service managing complex policy, personnel and strategic issues provide Occidental with exceptional knowledge and perspective in the areas of health, environment and safety, strategy and policy, personnel management and community relations.

HOWARD I. ATKINS

Director since 2010

Committees: *Chair of Finance and Risk Management Committee; Member of Audit Committee; Executive Compensation Committee; and Management Succession and Talent Development Committee*

Mr. Atkins, 63, retired as the Senior Executive Vice President and Chief Financial Officer of Wells Fargo & Company, where he was responsible for Wells Fargo's financial management functions, investment portfolios and corporate properties functions from 2001 to 2011. A 37-year veteran of the financial services industry, Mr. Atkins previously served as Executive Vice President and

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Chief Financial Officer of New York Life Insurance Company, Chief Financial Officer of Midlantic Corporation and Corporate Treasurer of Chase Manhattan Bank. Mr. Atkins serves on the Board of Directors of Ingram Micro Inc. where he is a member of the Audit Committee and the Human Resources Committee.

Qualifications: With his experience as Chief Financial Officer of Wells Fargo, one of the largest banking institutions in the United States, Mr. Atkins brings to the Board a deep understanding of financial oversight and accountability. In his nearly four decades in the financial services industry, Mr. Atkins has had responsibilities in the areas of financial reporting, tax management, asset-liability management, treasury, corporate development, investor relations and mergers and acquisitions. This experience provides the Board insight into financial management and analysis. Mr. Atkins' financial acumen, combined with his senior management expertise provides the Board valuable perspective in helping to guide the fiscal management policies that further Occidental's strategic business goals.

EUGENE L. BATCHELDER

Director since 2013

Committees: *Member of Audit Committee; and Management Succession and Talent Development Committee*

Mr. Batchelder, 66, retired as the Senior Vice President and Chief Administrative Officer at ConocoPhillips, an integrated global energy company. In this role, from 2009 until his retirement in 2012, he was responsible for global shared services, human resources, facilities, information technology, security, aviation, executive services, and corporate affairs, which included investor relations, corporate communications and contributions. Mr. Batchelder served as Senior Vice President and Chief Information Officer of ConocoPhillips from 2002 to 2009. Prior to the merger of Conoco and Phillips Petroleum in 2002, Mr. Batchelder was promoted to increasingly senior positions within Phillips Petroleum companies, including information technology and financial management positions. Mr. Batchelder is a past trustee and current governor of the Oklahoma State University Foundation and past president and board member of the Oklahoma State University Alumni Association. Mr. Batchelder holds a bachelor's degree in Accounting from Oklahoma State University, is a certified public accountant and a member of the American Institute of Public Accountants.

Qualifications: With more than 40 years of experience in the energy industry, including two decades in senior executive management, Mr. Batchelder brings an in-depth understanding of key corporate issues, including financial management and information technology. Mr. Batchelder also has insight into human resources, including executive management succession planning and compensation and benefits.

STEPHEN I. CHAZEN

Director since 2010

Mr. Chazen, 67, became President and Chief Executive Officer of Occidental Petroleum Corporation in May 2011. Mr. Chazen served as President and Chief Operating Officer from 2010 to 2011 and as President and Chief Financial Officer from 2007 to 2010. Prior to being named President and Chief Financial Officer, Mr. Chazen was Chief Financial Officer and Senior Executive Vice President from 2004 to 2007, Chief Financial Officer and Executive Vice President-Corporate Development from 1999 to 2004, and Executive Vice President-Corporate Development from 1994 to 1999. Prior to joining Occidental, Mr. Chazen was a Managing Director in Corporate Finance and Mergers and Acquisitions at Merrill Lynch. Mr. Chazen is a Director of Ecolab Inc. He was previously a member of the Board of Directors of Washington Mutual, Inc. Mr. Chazen is Chairman of the American Petroleum Institute's Board of Directors and serves on the Boards of Aquarium of the Pacific and Catalina Island Conservancy. Mr. Chazen holds a Ph.D. in Geology from Michigan State University, a master's degree in Finance from the University of Houston and a bachelor's degree in Geology from Rutgers College.

Qualifications: Mr. Chazen, as Chief Executive Officer, is responsible for all operations, the financial management of the company and for creating and implementing the company's strategy. Since joining Occidental, he has recommended and implemented the company's acquisition and divestiture strategy, which has been a key factor in Occidental's transformation into a major oil and gas company. Additionally, Mr. Chazen has been a successful executive in the financial services industry. This financial and management expertise, coupled with his more than thirty years of experience in the oil and gas industry, demonstrate the valuable expertise and perspective that he brings to the Board.

EDWARD P. DJEREJIAN

Director since 1996

Chairman of the Board

Committees: *Member of Corporate Governance, Nominating and Social Responsibility Committee*

Ambassador Djerejian, 75, served in the U.S. Foreign Service for eight presidents, from John F. Kennedy to William J. Clinton (1962-1994). Prior to his nomination by President Clinton as U.S. ambassador to Israel (1993-1994), he was assistant secretary

of state for Near Eastern affairs in both the George H.W. Bush and the Clinton administrations (1991-1993). He was the U.S. ambassador to the Syrian Arab Republic (1988-1991). He also served as special assistant to President Ronald Reagan and deputy press secretary for foreign affairs in the White House (1985-1986). After his retirement from government service in 1994, he became, and currently serves as, the founding director of the James A. Baker III Institute for Public Policy at Rice University. His book "Danger and Opportunity: An American Ambassador's Journey Through the Middle East" was published by Simon & Schuster Threshold Editions in September 2008. He has been awarded the Presidential Distinguished Service Award, the Department of State's Distinguished Honor Award and numerous other honors, including the Ellis Island Medal of Honor and the Anti-Defamation League's Moral Statesman Award. He is also a recipient of the Association of Rice Alumni's Gold Medal, the group's most prestigious award, for his service to Rice University. In 2011, Ambassador Djerejian was elected a fellow of the American Academy of Arts and Sciences. He is also a member of the Board of Trustees of the Carnegie Corporation of New York. Ambassador Djerejian previously served as a director of Baker Hughes Incorporated and Global Industries, Ltd., where he was Chairman of the Governance Committee.

Qualifications: Ambassador Djerejian is a leading expert on the complex political, security, economic, religious and ethnic issues of the Middle East. His experience brings valuable insight that enhances the Board's ability to assess operations and business opportunities in the company's important Middle East/North Africa region. Throughout his distinguished career, he has developed an in-depth knowledge of a broad range of public policy issues, and expertise in foreign policy, geopolitics of energy and corporate governance. He also has experience serving on several public, private and nonprofit boards.

Waiver of Age Restriction: All of the directors have requested that Mr. Djerejian remain as independent Chairman for one additional one-year term for the reasons described under "Board of Directors and its Committees" beginning on page 8. His re-election will require that the stockholders also waive the current age 75 restriction for him for one term. See Proposal 2 on page 13.

JOHN E. FEICK

Director since 1998

Committees: *Chair of Environmental, Health and Safety Committee; Member of Audit Committee; Executive Compensation Committee; and Finance and Risk Management Committee*

Mr. Feick, 70, is the Chairman and a significant stockholder of Matrix Solutions Inc., a provider of environmental remediation and reclamation services. Until 2011, he was Chairman and a significant stockholder of Kemex Engineering Services, Ltd., which offers

engineering and design services to the petrochemical, refining and gas processing industries. From 1984 to 1994, Mr. Feick was President and Chief Operating Officer of Novacor Chemicals, a subsidiary of Nova Corporation. He is a member of the Board of Directors of Graham Construction. He previously served as Chairman of the Board of Directors of Oak Point Energy Ltd., an oil sands exploration and development company, and was a director of Veresen Inc.

Qualifications: Mr. Feick possesses a deep understanding of both the oil and gas and chemicals industries along with broad experience in environmental compliance and remediation. He has served as President and Chairman of a company specializing in environmental services and served as Chairman of an oil and gas and petrochemicals specialty engineering firm. As President and Chief Operating Officer of Novacor Chemicals, he was responsible for the company's investments and operations and established the company as a leader in plant reliability, utilization rates, occupational health and safety, and environmental performance in North America. In addition to industry knowledge and expertise, Mr. Feick's experience brings the Board exceptionally valuable insight into the environmental, health and safety area.

MARGARET M. FORAN

Director since 2010

Committees: *Chair of Corporate Governance, Nominating and Social Responsibility Committee; Member of Audit Committee; Executive Compensation Committee; Environmental, Health and Safety Committee; and Management Succession and Talent Development Committee*

Ms. Foran, 59, is Chief Governance Officer, Vice President and Corporate Secretary of Prudential Financial, Inc. Prior to joining Prudential, she was Executive Vice President, General Counsel and Corporate Secretary at Sara Lee Corporation from 2008 to 2009; Senior Vice President, Associate General Counsel and Corporate Secretary at Pfizer Inc. from 1997 to 2008; and Vice President and Assistant General Counsel at J.P. Morgan & Co. Ms. Foran is a former Director of The MONY Group Inc. and MONY Life Insurance Company. She served as Co-Chair and a Director of the Council of Institutional Investors (CII) and Co-Chair of the CII International Corporate Governance Committee. She is the former Chair of the American Bar Association Committee on Corporate Governance. Ms. Foran is the former Chair of the Coordinating Committee of the Business Roundtable Corporate Governance Task Force. She previously served two terms on the Standing Advisory Group of the Public Company Accounting Oversight Board (PCAOB) and is a member of the Economic Club of New York. Ms. Foran is also a Trustee of the SEC Historical Society.

Qualifications: Ms. Foran is an accomplished attorney with deep expertise in legal affairs and corporate governance. She has held positions of increasing responsibility at four U.S.-based global companies, where for more than a decade she has had

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a leading role in strengthening corporate governance principles and practices, ensuring regulatory compliance and developing programs to broaden investor communications. Having been a senior executive in the financial services, food and beverage and pharmaceutical industries, Ms. Foran has a broad range of experience in shareholder services, mergers and acquisitions, SEC reporting, capital markets, derivatives, risk management, internal audit procedures and insurance matters as well as environmental, safety and social responsibility programs. Ms. Foran's corporate experience, in addition to her work with various investor groups and corporate trade associations, provides the Board exceptional acumen and insight on governance, investor and legal policies and practices.

CARLOS M. GUTIERREZ

Director since 2009

Committees: *Chair of Executive Compensation Committee; Member of Corporate Governance, Nominating and Social Responsibility Committee; Environmental, Health and Safety Committee; Finance and Risk Management Committee; and Management Succession and Talent Development Committee*

Secretary Gutierrez, 60, is Co-Chair of Albright Stonebridge Group, a commercial diplomacy and strategic advisory firm. He also serves as Chairman of Republicans for Immigration Reform, a political action committee. Prior to that he was Vice Chairman of the Institutional Clients Group and a member of the Senior Strategic Advisory Group at Citigroup Inc. from 2011 to February 2013. He joined Citigroup from communications and public affairs consulting firm APCO Worldwide Inc., where he was Chairman of the Global Political Strategies division in 2010. He served as U.S. Secretary of Commerce in the administration of President George W. Bush from February 2005 to January 2009. Prior to his government service, Secretary Gutierrez was with Kellogg Company for 30 years. He became Kellogg's Chief Executive Officer in 1999 and was named Chairman of the Board from 2000 to 2005. Secretary Gutierrez serves on the Boards of Directors of MetLife, Inc., where he serves on the Finance and Investment and Governance Committees, and Time Warner Inc., where he serves on the Audit Committee. He previously served as a Director of Corning Incorporated, United Technologies Corporation and Lighting Science Group Corp., where he served on the Audit Committee. In addition to serving as a trustee of the Woodrow Wilson International Center for Scholars and a National Trustee to the University of Miami Board of Trustees, Secretary Gutierrez is a non-resident scholar at the University of Miami's Institute for Cuban and Cuban-American Studies and is a Co-Chairman of the Regional Migration Study Group. He is also a co-founder of TheDream.US, a scholarship fund for undocumented students.

Qualifications: Secretary Gutierrez's highly successful service as Chief Executive Officer and Chairman of Kellogg Company provides him deep insight into the complex challenges faced by a growing organization in a highly competitive business environment. Additionally, his experience as U.S. Secretary of Commerce provides the Board exceptional knowledge and insight into the complex environment of international commerce. Secretary Gutierrez brings valuable business management and operational experience and an international commerce and global economic perspective to the Board.

WILLIAM R. KLESSE

Director since 2013

Committees: *Member of Environmental, Health and Safety Committee; and Management Succession and Talent Development Committee.*

Mr. Klesse, 67, is Chairman of the Board and Chief Executive Officer of Valero Energy Corporation, an international manufacturer and marketer of transportation fuels, other petrochemical products and power. He joined the Valero board as Vice Chairman in 2005 and became Chairman in 2007. He has served as Chief Executive Officer since 2006 and served as President from 2008 to 2013. From 2003 to 2005, Mr. Klesse was Valero's Executive Vice President and Chief Operating Officer. Prior to that, he served as Executive Vice President of Refining and Commercial Operations following Valero's 2001 acquisition of Ultramar Diamond Shamrock Corporation, where he had been Executive Vice President of the company's refining operations. Mr. Klesse began his 40-plus year career in the energy industry at Diamond Shamrock Corporation, which merged with Ultramar Corporation in 1996. Mr. Klesse is Chairman of the Board of Valero Energy Partners GP LLC. He is a trustee of the Texas Biomedical Research Institute, the Muscular Dystrophy Association and United Way of San Antonio and Bexar County. Mr. Klesse holds a bachelor's degree in Chemical Engineering from the University of Dayton and a Master of Business Administration with an emphasis in Finance from West Texas A&M University.

Qualifications: Mr. Klesse brings more than four decades of energy industry executive management experience to Occidental's Board. As Valero's Chairman and Chief Executive Officer, he leads the Board's strategic planning and oversees the daily operations of a major global energy company. Mr. Klesse's experience provides an informed management perspective and insights of global business and energy issues to the board. He also has leadership experience on industry association and nonprofit boards.

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AVEDICK B. POLADIAN

Director since 2008

Committees: *Chair of Audit Committee; Member of Executive Compensation Committee; and Finance and Risk Management Committee*

Mr. Poladian, 62, is Executive Vice President and Chief Operating Officer of Lowe Enterprises, Inc., a diversified national real estate company active in commercial, residential and hospitality property investment, management and development. In this role, Mr. Poladian oversees human resources, risk management, construction, finance and legal functions across the firm. Mr. Poladian previously served as Executive Vice President, Chief Financial Officer and Chief Administrative Officer for Lowe from 2003 to 2006. Mr. Poladian was with Arthur Andersen from 1974 to 2002 and is a certified public accountant (inactive). He is a past member of the Young Presidents Organization, the Chief Executive Organization, the California Society of CPAs and the American Institute of CPAs. Mr. Poladian is a director of the YMCA of Metropolitan Los Angeles, a member of the Board of Councilors of the University of Southern California School of Policy, Planning, and Development, a member of the Board of Advisors of the Ronald Reagan UCLA Medical Center, and a former Trustee of Loyola Marymount University. He serves as a director of Western Asset Management Funds where he is a member of the Audit Committee and as a member of the Board of Trustees of Public Storage where he is the Chair of the Audit Committee and the Chair of the Nominating/Corporate Governance Committee. He previously served as a director of California Pizza Kitchen.

Qualifications: As a certified public accountant with extensive business experience, Mr. Poladian qualifies as one of Occidental's Audit Committee financial experts and provides the Board expert perspective in financial management and analysis. Having served in a senior management position at one of the world's largest accounting firms, combined with his experience as Chief Operating Officer and Chief Financial Officer of a diversified real estate company, Mr. Poladian has deep knowledge of key business issues, including personnel and asset utilization, in addition to all aspects of fiscal management.

ELISSE B. WALTER

Director since 2014

Ms. Walter, 63, was appointed Commissioner of the U.S. Securities and Exchange Commission (SEC) by President George W. Bush, and served in that capacity from 2008 until 2013. President Barack Obama designated her as the 30th Chairman of the SEC in December 2012. Prior to her appointment as an SEC Commissioner, she was with the Financial Industry Regulatory Authority (FINRA) and its predecessor, the National Association of Securities Dealers (NASD), from 1996-2008. She served as Senior Executive Vice President, Regulatory Policy and Programs for FINRA and held the comparable position at NASD before its 2007 consolidation with NYSE Member Regulation. Earlier in her career, she served as the General Counsel of the Commodity Futures Trading Commission from 1994 to 1996 and as Deputy Director of the SEC Division of Corporation Finance from 1986 to 1994. Among the honors Ms. Walter has received are the Presidential Rank Award (Distinguished), the ASECA William O. Douglas Award, the SEC Chairman’s Award for Excellence and the Federal Bar Association’s Philip A. Loomis, Jr., and Manuel F. Cohen Awards. She is a member of the Academy of Women Achievers of the YWCA of the City of New York and the inaugural class of the DirectWomen Institute. She serves on the Board of Directors of the Sustainability Accounting Standards Board and is a member of FINRA’s Investor Issues Committee. Ms. Walter holds a B.A. in Mathematics, cum laude, from Yale University and a J.D., cum laude, from Harvard Law School.

Qualifications: Chairman Walter’s long and distinguished record of public service in major leadership roles at key agencies of the federal government has given her unique insight into both business and government. She also brings to Occidental’s board more than 35 years of experience and insight on complex domestic and international regulatory matters. As Chairman of the SEC, Ms. Walter demonstrated a keen understanding of capital markets and related regulatory issues, and led a 4,000-employee federal agency, overseeing its budget and developing policy. Her experience at FINRA provides extensive knowledge with respect to corporate finance and financial regulation and disclosure and her CFTC experience brings to the Board an understanding of commodities markets and regulation.

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Proposal 1:
Election of Directors

Board Committees

The Board of Directors has six standing committees, each currently composed solely of independent directors: Audit; Corporate Governance, Nominating and Social Responsibility; Environmental, Health and Safety; Executive Compensation; Finance and Risk Management; and Management Succession and Talent Development. In May 2013, the Board eliminated the Charitable Contributions Committee and the Corporate Governance, Nominating and Social Responsibility Committee assumed its duties. The charters of the Audit Committee; the Corporate Governance, Nominating and Social Responsibility

Committee; the Executive Compensation Committee; and the Finance and Risk Management Committee; and the enabling resolutions for each of the other committees as well as the duties of the Chairman of the Board are available at www.oxy.com or by writing to Occidental's Corporate Secretary, Occidental Petroleum Corporation, 10889 Wilshire Boulevard, Los Angeles, California 90024. The general responsibilities of the committees are described below. From time to time, the Board of Directors delegates additional duties to the standing committees.

Name and Members	Responsibilities	Meetings in 2013
Audit Committee Howard I. Atkins Eugene L. Batchelder John E. Feick Margaret M. Foran Avedick B. Poladian (Chair)	• hires the independent auditors to audit the consolidated financial statements of Occidental and its subsidiaries • discusses the scope and results of the audit with the independent auditors • discusses Occidental's financial accounting and reporting principles and the adequacy of Occidental's internal accounting, financial and operating controls with the auditors and with management • reviews all reports of internal audits submitted to the Audit Committee and management's actions with respect thereto • reviews the appointment of the senior internal auditing executive • oversees all matters relating to Occidental's Code of Business Conduct compliance program All of the members of the Audit Committee are independent, as defined in the New York Stock Exchange Listed Company Manual. All of the members of the	8 meetings, including 5 executive sessions with no members of management present

	Audit Committee are financially literate and the Board has determined that Messrs. Atkins, Batchelder and Poladian meet the Securities and Exchange Commission's definition of "audit committee financial expert." The Audit Committee Report with respect to Occidental's financial statements is on page 54.	
Charitable Contributions Committee Spencer Abraham Edward P. Djerejian Rosemary Tomich (Chair)[1]	• oversees charitable contributions made by Occidental and its subsidiaries	2 meetings (Committee eliminated effective May 2013)
Corporate Governance, Nominating and Social Responsibility Committee Spencer Abraham Edward P. Djerejian Margaret M. Foran (Chair) Carlos M. Gutierrez	• recommends candidates for election to the Board • responsible for the periodic review and interpretation of Occidental's Corporate Governance Policies and consideration of other governance issues • oversees the evaluation of the Board and management • reviews Occidental's policies, programs and practices on social responsibility • oversees compliance with Occidental's Human Rights Policy • oversees charitable contributions made by Occidental and its subsidiaries See page 62 for information on how director nominees are selected and instructions on how to recommend nominees for the Board.	5 meetings

(1) Served as Director until May 3, 2013.

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Name and Members	Responsibilities	Meetings in 2013
Environmental, Health and Safety Committee Spencer Abraham John E. Feick (Chair) Margaret M. Foran Carlos M. Gutierrez William R. Klesse	• reviews and discusses with management the status of environmental, health and safety issues, including compliance with applicable laws and regulations • reviews the results of internal compliance reviews and remediation projects • reports periodically to the Board on environmental, health and safety matters affecting Occidental and its subsidiaries	5 meetings
Executive Compensation Committee Spencer Abraham Howard I. Atkins John E. Feick Margaret M. Foran Carlos M. Gutierrez (Chair) Avedick B. Poladian	• reviews and approves the corporate goals and objectives relevant to the compensation of the Chief Executive Officer (CEO), evaluates the performance of the CEO and determines and approves the compensation of the CEO • reviews and approves the compensation of all other executive officers • administers Occidental's stock-based incentive compensation plans and periodically reviews the performance of the plans and their rules to assure purposes of the plans are being met • makes recommendations to the Board with respect to incentive compensation plans and equity-based plans • advises the Board on the compensation of non-employee directors • prepares Compensation Committee Report on executive compensation for inclusion in the annual proxy statement The Executive Compensation Committee's report on executive compensation is on page 32.	6 meetings, including 4 executive sessions with no members of management present
Finance and Risk Management Committee Howard I. Atkins (Chair) John E. Feick Carlos M. Gutierrez Avedick B. Poladian	• recommends to the Board the annual capital plan, and any changes thereto, and significant joint ventures, long-term financial commitments and acquisitions • approves policies for authorization of expenditures, cash management and investment and for hedging of commodities and interest rates • reviews Occidental's financial strategies, risk management policies (including insurance coverage levels) and financial plans (including planned issuances of debt and equity)	5 meetings

Management Succession and Talent Development Committee Spencer Abraham (Chair) Howard I. Atkins Eugene L. Batchelder Margaret M. Foran Carlos M. Gutierrez William R. Klesse	• maintains an active CEO succession plan, including time-based replacement scenarios for emergency scenarios and short-term and long-term horizons • ensures that a robust and timely succession planning process is in place which will provide sufficient management and leadership talent to meet the evolving needs of the Corporation's business • leads CEO searches on behalf of the Board and otherwise interface with external recruiters as necessary • reviews the Corporation's talent development processes and programs, including recruitment and selection, retention, development and diversity elements • participates in the assessment of high potential and key personnel • actively engages in becoming familiar with and evaluating current and potential leaders in senior management • maintains an awareness of overall organizational talent metrics and indicators • reports to the Board at least once each year with respect to the foregoing	3 meetings (Committee established July 2013)

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CORPORATE GOVERNANCE

The Board of Directors is committed to strong corporate governance policies and practices, and continually reviews evolving best practices in governance and seeks input from stockholders. The Corporate Governance Policies, together with information about Occidental's Code of Business Conduct and

other governance measures adopted by the Board of Directors are available at www.oxy.com, or by writing to Occidental's Corporate Secretary, Occidental Petroleum Corporation, 10889 Wilshire Boulevard, Los Angeles, California 90024.

Board of Directors and its Committees

The company is governed by the Board of Directors and six standing Board committees, each of which usually meets at least five times each year. (See page 6.)

2013 and 2014 Developments and Highlights

- Dr. Ray Irani was not reelected to the Board and resigned from the Board. Aziz Syriani, who had been serving as the Lead Independent Director, resigned just prior to the 2013 Annual Meeting.
- The Board elected former Ambassador Djerejian, an independent director, the Chairman of the Board and modified the by-laws to require that the Chairman be elected from among the independent directors. The Board has asked Mr. Djerejian to serve one more year, which requires stockholders to waive the age restriction for him for one year.
- The Board and Mr. Chazen agreed he would remain as President and Chief Executive Officer through the 2016 Annual Meeting.
- The Board elected three new directors, William Klesse and Eugene Batchelder, both with significant industry experience, and Elisse B. Walter, former Chairman of the Securities and Exchange Commission.
- The Board and Mr. Chazen began a strategic review of the company's assets and operations to better execute the company's long-term strategy and enhance value for stockholders. As a result of this continuing review, the Board authorized the spinoff of the California assets into an independent and separately traded company, the pursuit of the sale of a minority interest in the Middle East/North Africa operations, the pursuit of strategic alternatives for select Midcontinent assets and the sale of the company's investment in the General Partner of Plains All-American Pipeline,

L.P.

- The annual common stock grant to non-employee directors for the 2013 term was reduced by 25%. In early 2014, the Board completed its review of the director compensation program and revised the program, effective with the 2014 Annual Meeting, to bring it in line with peer companies. Under the new program, the total annual compensation for a director who is not the Chair of a committee will be $350,000. See "Director Compensation" on page 46.

Board Leadership and Executive Succession Planning

Over the past several years, the Board has implemented a number of significant senior management, corporate governance and compensation program changes, largely with input from stockholders. Last year, the company also initiated a strategic review of its assets and operations. Following is a summary of the background, recent developments, and the Board's current plans for further actions with respect to its leadership structure and executive succession planning.

Events of 2010 and 2011. In late 2010, at the urging of some of the company's institutional investors, and in discussions spearheaded by the California State Teachers' Retirement System and Relational Investors LLC, the Company began a progression of senior management, corporate governance and compensation program changes. First, the Board announced in October 2010 that Dr. Ray Irani, who had been Chairman and Chief Executive Officer of Occidental for 20 years, would step down as Chief Executive Officer, and that Stephen Chazen, the President and Chief Operating Officer, would become Chief Executive Officer. These changes were effected at the May 2011 Annual Meeting. Dr. Irani remained on the Board, and became Executive Chairman.

At that time, the Board also approved and subsequently implemented several corporate governance changes, including the following:

- The Board added two independent directors, Howard Atkins, former Senior Executive Vice President and Chief Financial Officer of Wells Fargo & Company, in October 2010, and Margaret Foran, Chief Governance Officer, Vice President and Corporate Secretary of Prudential Financial, Inc., in December 2010.
- The Board modified the company's by-laws to adopt a majority vote standard for the election of directors.
- The Board affirmed its policy that no person 75 or older would be nominated to be a director, unless the age requirement is unanimously waived by the Corporate Governance, Nominating and Social Responsibility Committee and approved by a majority of the independent directors, and confirmed that, with certain exceptions and qualifications, the Board would not give these waivers.

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In the process of adopting these corporate governance changes, the Board and stockholders agreed that the Board could modify them in order to exercise its fiduciary duties in the future, and that certain of these measures could be modified at any time with stockholder approval. Nevertheless, the Board has followed these guidelines during the past three years.

Events of 2013. In early 2013, the Board announced that it formed a search committee, as part of a succession planning process, to find a candidate to replace Mr. Chazen as Chief Executive Officer. There was significant opposition to this action by major institutional investors, who felt that Mr. Chazen should be given more time to develop the company's corporate strategy. So, after further consideration, which took into account discussions with stockholders, on April 29, 2013, the Board announced that Mr. Chazen would remain as Chief Executive Officer.

At the Annual Meeting of Stockholders on May 3, 2013, Dr. Irani did not receive a majority of votes cast for his election as a director. He resigned from the Board. In addition, Aziz Syriani, who had been serving as the Lead Independent Director, resigned just prior to the 2013 Annual Meeting. During Dr. Irani's tenure as Chairman, the Board had a Lead Independent Director, a position that would no longer be necessary with the election of an independent Chairman. The Board elected former Ambassador Edward P. Djerejian, an independent director, Chairman of the Board of Directors.

Ambassador Djerejian served for a number of years as an independent director of Occidental, and recently chaired the Corporate Governance, Nominating and Social Responsibility Committee. He also played an important leadership role on the Board for many years, possesses a keen understanding of Occidental's business and strategy, and brings a sophisticated global perspective to the Board. His depth of experience, judgment, and understanding of the company's business strategy make him the perfect choice to lead the Board. Since his appointment as Chairman, his leadership expertise and interpersonal skills have been significant factors in strengthening the relationship between the Board and the CEO.

At the same time, the Board also announced a number of new governance policies, including the following:

•An independent director will serve as Chairman;

•The chairs of each Board committee and the independent Chairman will be rotated at least every five years;

•Former Chief Executive Officers of the company will not be eligible to serve on the Board of Directors; and

•The Board will create a Committee on Management Succession and Talent Development.

After the 2013 Annual Meeting, the Board began to implement these new governance policies and, in October 2013, the Board added two more directors with industry knowledge, William Klesse, Chairman of the Board and Chief Executive Officer of Valero Energy Corporation, and Eugene Batchelder, former Senior Vice President and Chief Administration Officer of ConocoPhillips, to the Board. Additionally, in February 2014, the Board added Elisse B. Walter, former Chairman of the SEC, as a director.

2013 Strategic Review. Following the 2013 Annual Meeting, Mr. Chazen and the Board launched a strategic review of the company's assets and operations with the purpose of streamlining and focusing operations in order to better execute the Company's long-term strategy and enhance value for stockholders. The following initial actions were announced in October:

- Pursue the sale of a minority interest in the Middle East/North African operations in a financially efficient manner.
- Pursue strategic alternatives for select Midcontinent assets, including oil and gas interests in the Williston Basin, Hugoton Field, Piceance Basin and other Rocky Mountain assets.
- Complete the sale of a portion of the company's investment in the General Partner of Plains All-American Pipeline, L.P., resulting in pre-tax proceeds of $1.4 billion.
- Spinoff of the California assets into an independent and separately traded company.

Continuity of Board leadership and senior management for 2014 and 2015. In his one year as independent Board Chairman, Ambassador Djerejian has been instrumental in helping the Board to coalesce into a very effective team. The Board has worked together cohesively to make good progress on corporate governance measures, finance, corporate strategy, executive compensation and succession planning, and has developed a strong relationship with the CEO. The Board committees are functioning well, and Committee chairs have been reassigned to leverage directors' areas of expertise.

Working together with the Board, Ambassador Djerejian and Mr. Chazen have also:

- Expanded and reorganized the senior management team
- Initiated a major strategic reassessment
- Worked to enhance Middle East relationships by meeting with partners in the region
- Added three new Board members
- Expanded Board interaction with other members of senior management

The Board believes it is in the best interests of the company for Mr. Chazen and Ambassador Djerejian to follow through on the corporate strategic plan. To accomplish that, the Board wants Mr. Chazen to remain as Chief Executive Officer through the 2016 Annual Meeting. He will not be a candidate for election to the Board at the 2016 Annual Meeting. The Board also wants Ambassador Djerejian to remain as independent Chairman one more year, from May 2014 to May 2015. He will then retire from the Board, and will not be a candidate for election to the Board at the 2015 Annual Meeting. With one extra year as Chairman, Ambassador Djerejian will be able to build on the progress that he, the Board and Mr. Chazen have made in the past year. These short extensions will provide the Board and executive leadership with continuity, continued alignment, stability and cohesiveness.

Stockholders are being asked to vote at this meeting on the election of Messrs. Djerejian and Chazen as directors, as well as the one-year age waiver for Mr. Djerejian. See Proposal 2 on page 13.

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Board and Committee Roles in Risk Oversight

Board Leadership Structure

Following the 2013 Annual Meeting, the Board modified the company's by-laws to provide for a Chairman of the Board to be elected from the independent directors and elected Ambassador Djerejian to serve in that position. His role is to serve as a liaison between the Board and stockholders. He has the authority to call meetings of the independent directors and chairs executive sessions of the Board at which no members of management are present, to approve the agendas for the Board and committee meetings, to propose a schedule of Board meetings and the information to be provided by management for Board consideration, to recommend the retention of consultants who report directly to the Board, and to assist in assuring compliance with the corporate governance policies and to recommend revisions to the policies. Additionally, he evaluates, along with the members of the Executive Compensation Committee and the full Board, the performance of the Chief Executive Officer, and communicates to him the views of the independent directors and the Board committees with respect to objectives set for management by the Board.

The Board also modified the company's by-laws to create the position of Vice Chairman to be elected from the independent directors and to perform the duties of the Chairman of the Board in the absence or disability of the Chairman and such other duties as may be delegated to him pursuant to the by-laws. In May 2013, the Board elected Secretary Abraham to serve in that position.

Another key component of Board leadership is the role of the Board committees. The Board has divided oversight functions among six committees, which have on average four Board members, usually meet at least five times each year and cover an extensive agenda. These committees regularly report back to the full Board with specific findings and recommendations in their areas of oversight and liaise regularly with the Chairman of the Board. Descriptions of the responsibilities of each of the Board's six standing committees begin on page 6.

Board and Committee Roles in Risk Oversight

The Board's role in risk oversight recognizes the multifaceted nature of risk management. It is a control and compliance function, but it also involves strategic considerations in normal business decision making. It covers legal and regulatory matters, finance, security, safety, health and environmental concerns. The Board has created and empowered several Board committees in aspects of risk oversight. Four Board committees, the Audit Committee; the Corporate Governance, Nominating and Social Responsibility Committee; the Environmental, Health and Safety

Committee; and the Finance and Risk Management Committee, all composed entirely of independent directors, are each integral to the control and compliance aspects of risk oversight by the

Board. Each of these committees meets regularly with management to review, as appropriate, compliance with existing policies and procedures and to discuss changes or improvements that may be required or desirable. Each of the committees with risk oversight responsibilities meets at least as often as the regularly scheduled Board meetings. This ensures that each committee has adequate time for in-depth review and discussion of all matters associated with each committee's area of responsibility. After the committee meetings, each committee reports to the Board, sometimes without the Chief Executive Officer present, for discussion of issues and findings as well as the Board's recommendations of appropriate changes or improvements.

Board and Executive Management

Ambassador Djerejian, as an independent Board Chairman, presides at all meetings of the Board and stockholders and works with Mr. Chazen, the President and Chief Executive Officer, to ensure that the views of the Board and its committees are incorporated into corporate strategy.

Independence

Each of Ms. Foran, Ms. Walter, and Messrs. Abraham, Atkins, Batchelder, Djerejian, Feick, Gutierrez, Klesse and Poladian has been determined by the Board of Directors as meeting the independence standards set forth in Occidental's Corporate Governance Policies (see www.oxy.com) and the New York Stock Exchange Listed Company Manual. In making its determination

of independence, the Board considered that, as disclosed in the Compensation of Directors table on page 47, Occidental matched the gifts made by certain of the directors to charitable organizations, and the transactions described in Related Party Transactions below. All committees of the Board are currently composed entirely of independent directors.

Board and Independent Director Meetings

The Board of Directors held six regular meetings and ten special meetings during 2013, including seven executive sessions at which no members of management were present. Mr. Syriani, the Lead Independent Director, who resigned from the Board last May, presided over the executive sessions prior to May 2013 and Ambassador Djerejian, the Chairman presided thereafter. Each incumbent director attended at least 75 percent of the meetings, held during his or her tenure, of the Board of Directors and the committees of which he or she was a member and was eligible to attend. All of the directors serving at the time, other than Dr. Irani, attended the 2013 Annual Meeting. Attendance at the Annual Meeting of Stockholders is expected of all directors as if it were a regular meeting of the Board.

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Stockholder Policies

Occidental values stockholder engagement and continues to have productive discussions with stockholders on a variety of topics. The company has established several policies designed to ensure that stockholders' interests are represented, including the following:

•Stockholders may call special meetings of stockholders

•No stockholder rights ("poison pill") or similar plans
•Open communication with the Board of Directors

•Confidential voting

•Majority voting for directors and, in uncontested elections, mandatory resignation if a majority vote is not received

•Stockholders may act by written consent (pending approval of Proposal 4, see page 52)

Executive Compensation

Occidental has a long-standing commitment to motivate executives to achieve results that benefit the company and stockholders over the long-term. Following are highlights of compensation policies that the company has implemented over many years:

•Majority of executive compensation is long-term and performance-based

•Transparent, objective and peer and market comparative performance metrics aligned with stockholder interests

•Stringent executive stock ownership guidelines
•Golden Parachute Policy capping termination benefits

•No "Golden Coffin" provisions

•No options backdating or repricing (no option grants since 2006)

- Independent compensation consultant policy
- Three-year holding period with respect to 50% of net after-tax shares received by named executive officers under incentive awards

Health, Environment and Safety

The safety and well-being of our workforce, neighbors and operations is a core value of Occidental's culture. The company is also committed to protecting the environment through conservation and efficiency efforts and by minimizing the impact of our operations on land, habitat and the environment. Below are recent performance statistics in these areas and a history of our Board oversight and policies:

- Best levels since reporting began for employee injury and illness incidence rate (IIR) of 0.30 in 2013 and a three-year annual average employee IIR of 0.33 (59% better than the company's target of 0.80)
- Contractor IIR of 0.42 in 2013 and a three-year annual average contractor IIR of 0.55 (31% better than the company's target of 0.80)
- IIR of less than 1.0 recordable injuries per 100 employees for 18 consecutive years
- 1995 – First annual Health, Environment and Safety Report published
- 1981 – Environmental Committee of Board established
- 1979 – Health Environment and Safety Policy adopted by Board

Social Responsibility

Occidental takes pride in making long-term positive impacts in the regions and communities where the company operates. Following are recent highlights and a history of our policies in this area:

- Corporate Responsibility Magazine: 100 Best Corporate Citizens for 2013 and Energy Industry Sector Best Corporate Citizens for 2013
- 2012 – Political contribution disclosures added to website
- 2009 – Establishment of annual Social Responsibility goals and objectives
-

2007 – Adoption of reporting guidance indicators published by the Global Reporting Initiative (GRI) and the American Petroleum Institute and International Petroleum Industry Environmental Conservation Association (API/IPIECA)

•2004 – Human Rights Policy adopted

•2003 – First annual Social Responsibility Report published

•1997 – Code of Business Conduct adopted

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Other Governance Measures

Related Party Transactions

Pursuant to Occidental's written Conflict of Interest Policy, each director and executive officer has an obligation to avoid any activity, agreement, business investment or interest, or other situation that could be construed either as divergent to or in competition with Occidental's interest or as an interference with such person's primary duty to serve Occidental, unless prior written approval has been granted by the Audit Committee of the Board of Directors. Each director and executive officer is required to complete annually a questionnaire that requires disclosure of any transaction between Occidental and the director or executive officer or any of his or her affiliates or immediate family members. A summary of the Conflict of Interest Policy is included in Occidental's Code of Business Conduct which can be found at www.oxy.com.

In 2013 and 2014, subsidiaries of Occidental engaged in transactions for the purchase and sale of oil, gas and natural gas liquids with Valero Energy Corporation (Valero), where Mr. Klesse, a director of the company, is the Chief Executive Officer and a Director and in which he holds less than 0.3% of the outstanding common stock as of February 1, 2014. As part of the ongoing business of both Occidental and Valero, the companies continue to regularly enter into these and similar types of transactions. The value of the transactions during 2013 and 2014, through February 28, 2014, were as follows (in millions): sales were approximately $2,854 and $621, respectively, and purchases were approximately $545 and $232, respectively.

Communications with Board Members

Stockholders and other interested parties may communicate with any director by sending a letter or facsimile to such director's attention in care of Occidental's Corporate Secretary, Occidental Petroleum Corporation, 10889 Wilshire Boulevard, Los Angeles, California 90024; facsimile number 310-443-6977. The Corporate

Secretary opens, logs and forwards all such correspondence (other than advertisements or other solicitations) to directors unless a director has requested the Corporate Secretary to forward correspondence unopened.

Director Education

In 2013, directors participated in various corporate director and compliance programs held by universities and corporate director, governance, legal and investor professional organizations, including the New York Stock Exchange, as attendees and as presenters or speakers.

PROPOSAL 2: ONE-YEAR WAIVER OF DIRECTOR AGE RESTRICTION FOR EDWARD P. DJEREJIAN, AN INDEPENDENT DIRECTOR

For the reasons described in the section of this Proxy Statement called “Board of Directors and its Committees” beginning on page 8, all of the directors have requested that Mr. Djerejian remain as independent Chairman for one additional one-year term. He has agreed to do so. Mr. Djerejian turned 75 on March 6, 2014. The company agreed, as part of a 2011 settlement of a case entitled *Ruby Resnik v. Spencer Abraham, et. al.,* that, prior to December 31, 2014, it would not change or waive, without the approval of the company’s stockholders, its policy that no person 75 or older be nominated to serve on the Board. Therefore, his re-election will require that he be re-elected by the stockholders as a director, and that the stockholders also waive the current age restriction

for him for one term. Stockholder approval is hereby requested for the limited waiver of the age policy.

A majority of shares of common stock represented at the Annual Meeting and entitled to vote at the Annual Meeting must vote FOR this proposal to approve it. Your broker may not vote your shares on this proposal unless you give voting instructions. Abstentions and broker nonvotes have the same effect as votes cast AGAINST the proposal.

The Board recommends that you vote FOR the one-year age restriction waiver for Mr. Djerejian. Your proxy will be so voted unless you specify otherwise.

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COMPENSATION DISCUSSION AND ANALYSIS

Business Performance Highlights

Occidental is one of the largest oil and gas companies based in the U.S. measured by market capitalization of approximately $76 billion as of December 31, 2013. A list of key 2013 business performance highlights is below. Please see Occidental's Annual Report on Form 10-K for the year ended December 31, 2013 (Form 10-K) for more information about these and other performance measures, the factors that affect Occidental's results and risks associated with future performance.

- Ended the year with core earnings of $5.6 billion or $6.95 per diluted share[1].
- Increased domestic oil production by 11,000 barrels of oil per day (BOPD) in 2013 to 266,000 BOPD.
- Reduced domestic drilling costs by 24% relative to 2012 through a focused drilling program and emphasis on efficiencies.
- Reduced domestic operating costs by 17% to $14.43 per barrels of oil equivalent (BOE) in 2013.
- Added 470 million BOE (MMBOE) of reserves, before divestitures, achieving an overall replacement ratio of 169%[2] and domestic reserve replacement ratio of 190%[2].
- Delivered Return on Capital Employed[3] of 12%, which was an 18% increase from 2012.
- Increased the annualized dividend by 18.5%[3], the twelfth increase over the last 11 years, resulting in a compounded annual increase rate of 16%.

Overview of Executive Compensation

Response to 2013 Say on Pay Vote

While stockholders overwhelmingly approved the executive compensation program with more than 90% of voting stockholders voting in favor in 2011 and 2012, the program, which was virtually unchanged, received the support of approximately 63% of stockholders voting at the 2013 Annual Meeting of Stockholders. Prior to that meeting, the Board announced significant executive

compensation changes based on extensive stockholder feedback, as well as a commitment to further review and modify the program. Those changes, as described in more detail below, demonstrate the company's commitment to responsiveness to stockholders' views and to continually reviewing its practices with respect to executive compensation.

2013 Developments and Highlights

In 2013, based on a review of the executive compensation program and stockholder feedback, the company announced the following compensation changes, many of which have now been implemented:

- The discretionary portion of the Chief Executive Officer's bonus will be reduced from 40% to no more than 20%, and in evaluating the Chief Executive Officer's performance, emphasis will be on the company's financial performance, as well as a subjective assessment of the officer's performance in succession planning, talent development and maintaining and improving the company's achievements on health, environmental and safety matters;
- Payout of the Total Shareholder Return (TSR) Award (TSR award) under the company's long-term incentive program has been limited to no more than the target number of performance shares if TSR is negative over the performance period;
- Future recruitment incentives/bonuses for senior executive officers will be designed to provide recruits with compensation similar to what they would forgo in order to accept a position with the company and will be paid primarily in equity subject to retention periods; and
- The design of the long-term incentive program has been reviewed and modified to include additional performance measures, to align the program with those of peers and to reflect best practices. In this regard, Mr. Chazen has agreed that he will not be eligible for any bonus or current earnings-based compensation during his remaining tenure as Chief Executive Officer of Occidental. He has also agreed that he will not receive any grants under the existing TSR-based program.

1 Core results reflect Occidental's 2013 net income shown on page 44 of the Form 10-K after removing the effect of Significant Items Affecting Earnings described on page 25 of the Form 10-K. The company provides this adjusted

measure because it believes it may be useful to investors in evaluating and comparing Occidental's performance between periods, not as a substitute for net income.

2 Calculated for a specified period by using the applicable oil-equivalent proved reserve additions divided by oil-equivalent production.

3 2013 net income (adding back after-tax interest expense) divided by average debt and equity during 2013.

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Highlights of Compensation Policies Implemented Over Several Years:

- Majority of executive compensation is long-term and performance-based
- Transparent, objective and peer and market comparative performance metrics aligned with stockholder interests
- Stringent executive stock ownership guidelines
- Golden Parachute Policy capping termination benefits
- No “Golden Coffin” provisions
- No options backdating or repricing (no option grants since 2006)
- Independent compensation consultant policy
- Three-year holding period with respect to 50% of net after-tax shares received by named executive officers under incentive awards

Changes to Executive Compensation Program

After the 2013 Annual Meeting, the Compensation Committee changed the compensation program significantly, developing one program for the current Chief Executive Officer, Mr. Chazen, and another for the other named executive officers. As under the prior program, the majority of executive compensation is based

on the long-term performance of the company, as measured by publicly disclosed performance metrics, which is consistent with stockholder interests and the long-term nature of the company’s business. The program also features relatively low levels of non-performance-based compensation.

Key Features of 2013 Long-Term Incentive Awards for Named Executive Officers

- All awards are payable solely in stock.
- All awards are performance-based.
- Performance periods are three to seven years.
- If a change of control occurs, awards vest on a limited basis.
- Awards have a holding period requirement such that for three years after payout, the executive must hold the equivalent of 50% of the net after-tax shares received.
- Awards were allocated approximately 40% to a Return on Capital Employed Incentive Award (ROCE award) or a pair of Return on Asset Incentive Awards (ROA award), 30% to a TSR award, and 30% to Restricted Stock Incentive award (RSI award), based on target performance and grant date stock price. Under the prior program, awards were allocated approximately 80% to a TSR award and 20% to an RSI award, based on maximum performance and grant date stock price.

Mr. Chazen's Compensation. In April 2013, the Board announced that Mr. Chazen would continue to serve as the company's President and Chief Executive Officer and that, in addition to his responsibilities for all of the company's operations, he will assist the Board with its ongoing succession planning and work with the Board on corporate strategy, executive succession planning, executive compensation and talent development. In February 2014, the Board asked Mr. Chazen to remain as Chief Executive Officer beyond 2014. Mr. Chazen agreed to remain through the 2016 Annual Meeting. The Board's primary goal in determining Mr. Chazen's compensation package was to help ensure his retention by the company. The Board considered his accumulated company stock holdings of over 2 million shares and decided that those holdings plus an additional performance-based restricted stock award would serve the company's interest in retaining Mr. Chazen and continue to align his and the company's interests with stockholder interests. When setting the value of Mr. Chazen's total compensation package, the Board decided to narrow the gap between the value of his compensation and the value of the average compensation of the other named executive officers with business unit responsibilities.

Therefore, the Board and Mr. Chazen agreed to modify his 2013 compensation as follows:

- Mr. Chazen will not be eligible for any bonus or current earnings-based compensation during his remaining tenure as Chief Executive Officer.

- Mr. Chazen did not receive a TSR-based incentive award in 2013 and his 2012 TSR-based award was modified to cap any payout at target if the company's TSR for the performance period is negative.

- The grant date fair value of the approved compensation package for Mr. Chazen for 2013 was reduced by more than 50% compared to 2012 and 2011.

- Mr. Chazen's compensation allocation is 73% long-term performance based incentives, 20% salary and 7% other compensation, assuming performance criteria are met and the stock price on the grant date.

- Mr. Chazen's RSI Award, the only incentive award he received in 2013, was set at the same value ($5 million) (based on grant date stock price) as in 2011 and 2012, but the cumulative net income goal was increased from $10 billion to $12 billion. He did not receive any other incentive award.

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New Executive Compensation Program. The 2013 program for the other named executive officers also continues to base the majority of their overall compensation on the long-term performance of the company and was developed with the assistance of an independent compensation consultant. The following awards were granted under the new executive compensation program for named executive officers other than Dr. Irani, who ceased serving as an executive officer in May and separated from the company in 2013:

Elements of Executive Compensation Program[1]

	ELEMENT	OBJECTIVE	HOW PAYOUT VALUE IS CALCULATED	2013 DECISIONS
FIXED	**Base Salary**	Reward consistent performance of basic job requirements.	Review of compensation surveys, internal equity and individual responsibilities and performance.	Unchanged for Messrs. Chazen, Chiang and de Brier and Ms. Walker. Increased for Mr. Lowe.
VARIABLE	**Annual Incentive**	To motivate financial and other performance over a one-year period.	60% of target determined by one-year earnings per share performance (page 19). 40% of target discretionary determined by individual performance (page 19).	Financial performance resulted in payout of 93% of target (page 19). Individual performance resulted in payout average of 123% of target (page 33).
	Long-Term Return on Capital Employed (ROCE) and Return on Assets (ROA) Awards	Reward efficient capital allocation at the company and business unit levels over a three-year period.	ROCE[2] (for corporate executives) and ROA[3] (at division and regional unit levels for operating executives) targets, adjusted to moderate the effect of commodity prices[4].	New award accounting for 40% of value of long-term incentives[5].
	Long-Term Total Shareholder Return (TSR) Award	Over a three-year period, reward higher returns in company stock. Highly aligned with stockholder interests.	Compare TSR to peer group and S&P 500 Index performance with payout capped at target unless TSR is positive and exceeds S&P 500 Index (page 21).	• Decreased allocation from 80% to 30% of long-term, incentives[5]. • Added cap of payout if TSR is negative and decreased absolute values of award (page 21).
	Long-Term Restricted Stock (RSI) Award	Over a three to seven-year period, reward achievement of cumulative net income	Paid at zero if cumulative net income goal not achieved and at 100% if achieved (page 20).	• Increased cumulative net income goal from $10 billion to $12 billion.

goal, and retain executives at the company.	• Increased allocation from 20% to 30%[(5)] of long-term incentives (page 20).

(1) Shown for named executive officers other than Dr. Irani who ceased serving as an executive officer in May and separated from the company in 2013. Mr. Chazen did not receive an Annual Incentive, an ROCE/ROA Award or a TSR Award.

(2) Return on Capital Employed (ROCE) for the purposes of this award is the percentage obtained by dividing (i) the sum of annual net income attributable to common stock for the company, after adding back after-tax interest expense, for each year in the performance period, as reported in the company's Form 10-K by (ii) the sum of the average capital employed (long-term debt plus stockholders' equity) for each year in the performance period, as reported in the company's Annual Report on Form 10-K.

(3) Two types of Return on Assets (ROA) awards were granted to named executive officers, based on (i) Return on Assets for the company's Oil and Gas Segment (ROA – Total), and (ii) Return on Assets for the company's Oil and Gas Segment (Middle East/North Africa) (ROA – MENA). In each case Return on Assets for the purposes of the award is the percentage obtained by dividing (i) the sum of the Net Income for the respective segment for each year in the performance period by (ii) the sum of the Assets for the respective segment for each year in the performance period. For the purposes of the foregoing calculation, "Net Income" will be Results of Operations for the respective segment for the applicable year and "Assets" will be the Net Capitalized Costs for the respective segment for the applicable year, in each case as reported in the Supplemental Oil and Gas Information contained in the company's Annual Report on Form 10-K. For the purpose of the foregoing sentence, "Assets" will reflect all acquisitions, divestures and write downs during the performance period unless the senior management of the company recommends exclusion and the Executive Compensation Committee agrees.

(4) The ROCE and all ROA thresholds would have been adjusted up or down by 2% if the three-year average forward strip West Texas Intermediate crude oil (WTI) prices as of December 31, 2013, were at least $10 greater or less than, respectively, the three-year average forward strip WTI prices as of June 30, 2013, but actual WTI prices resulted in no adjustments. All thresholds will be further adjusted up or down by 2% at the end of the performance period if actual average WTI prices over the performance period are at least $10 greater or less than, respectively, the three-year average forward strip WTI prices as of December 31, 2013.

(5) For 2013 grants, based on target performance and grant date stock price and for 2012 grants, based on maximum performance and grant date stock price.

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Named Executive Officer 2013 Compensation Program Allocation. The allocation of the compensation elements awarded in 2013 to all named executive officers is shown below. The allocation of compensation below shows compensation based on grant date fair values of all incentive awards and compensation as reported on the Summary Compensation Table (See page 33).

2013 COMPENSATION PROGRAM ALLOCATION FOR NAMED EXECUTIVE OFFICERS[(1)]

CHIEF EXECUTIVE OFFICER **OTHER NAMED EXECUTIVE OFFICERS**[(1)]

(1) Does not include information for Dr. Irani, who ceased serving as an executive officer in May and separated from the company in 2013.

Compensation Program

The Compensation Committee measures executive performance by evaluating both long-term performance of the company and the consistent achievement of short-term financial goals. This approach links executive compensation to company performance and helps maximize value creation for stockholders.

The Compensation Committee developed a compensation program designed not only to be consistent with industry practice, but also to attract and retain outstanding executives, and to provide incentives to reward them for superior performance that supports Occidental's long-term strategic objectives.

Peer Companies. In 2013, the Compensation Committee reviewed the peer company group used in 2012 to ensure continued comparability to Occidental. The considerations taken into account, as a whole, were:

- Alternative investment choices in the energy sector, including level of investment analyst coverage;
- Competitors for projects and acquisitions worldwide;
- Competitors for employees worldwide;
- Percentages of total proved reserves and total production attributable to oil and to natural gas;
- Oil and gas production and reserves;
- Total revenue and the percentage derived from upstream (exploration and production) activities; and
- Market capitalization.

Within the oil and gas industry, Occidental has a unique combination of revenue, market capitalization and proportion of production and reserves attributable to oil. Investors take this into account when making investment choices in the energy industry and Occidental competes for these investor dollars with companies of varying revenue and market capitalization levels, including companies with much larger levels. Occidental's level of investment analyst coverage is comparable to many of the peer companies. Occidental competes for talent, projects and acquisitions worldwide against companies with both significantly larger and smaller levels of revenue and market capitalization and very different oil production profiles. This was taken into consideration in formulating an appropriate peer company group for executive compensation purposes.

The peer group does not include companies primarily in energy-related businesses such as (i) refining, (ii) midstream (transportation, storage and logistics) and marketing, or (iii) the sale and distribution of products because these companies have different investor bases, do not compete with Occidental for the same projects, and typically do not compete with Occidental for the same talent. Additionally, publicly traded limited partnerships are not included in the group because they have significantly different investor bases, corporate structures and compensation structures.

The Compensation Committee's review of the 2012 peer group and the factors discussed above resulted in replacing Royal Dutch Shell plc with Marathon Oil Corporation, whose market capitalization, revenues, lines of business and geographical presence are more comparable to Occidental's. In addition to Occidental, the peer companies (collectively, the peer group), effective beginning with 2013 long-term incentive awards, are:

Anadarko Petroleum Corporation	Devon Energy Corporation
Apache Corporation	EOG Resources, Inc.
Canadian Natural Resources Limited	ExxonMobil Corporation
Chevron Corporation	Hess Corporation
ConocoPhillips	Marathon Oil Corporation
	Total S.A.

The Compensation Committee designated this group of companies as the peer group for purposes of the TSR award granted in 2013.

The Compensation Committee also reviewed information regarding oil and gas industry and the peer group companies' executive compensation practices, programs and data that was publicly disclosed or available. Additionally, the Compensation Committee reviewed and considered broad-based compensation surveys and related materials. The purpose of reviewing this information was to evaluate and understand how Occidental's executive compensation program compares within the oil and gas industry, particularly with respect to types of awards, performance metrics for awards and reported levels of compensation. The information was not used to establish compensation benchmarks and the company does not benchmark executive compensation to a specific percentile within the peer group.

Elements of the Program

Salary and Other Annual Compensation. The Compensation Committee believes that overall executive compensation should include elements that reward executives for consistent performance of basic job requirements and achievement of certain short-term goals which, over time, contribute to long-term growth of stockholder value.

Consistent with the Compensation Committee's goal of emphasizing long-term compensation, salary and other annual compensation represent the smaller portion of the 2013 compensation packages of the named executive

officers. Short-term compensation includes base salary and other compensation, plus an Executive Incentive Compensation Plan (Annual Incentive) award. Certain other compensation and benefits that apply to senior executives are described under "Other Compensation and Benefits" beginning on page 30.

Executive Incentive Compensation Plan Award (Annual Incentive). The Annual Incentive is composed of a Non-Equity Incentive portion (60% of target value) and a Bonus portion (40% of target

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value). The Compensation Committee sets target amounts for each senior executive, including the named executive officers, based on a review of commercially available compensation surveys and other publicly available information. In setting targets for each executive, the Compensation Committee considers each executive's ability to influence Occidental's performance during the one-year performance period.

The Board announced that the Annual Incentive for the Chief Executive Officer in the future would be allocated at least 80% to the Non-Equity Incentive portion and no more than 20% to the Bonus portion. However, the Board and Mr. Chazen agreed that he would not receive an Annual Incentive for 2013 and he has agreed that he not receive one during the remainder of his tenure as Chief Executive Officer.

Non-Equity Incentive Award (Performance-Based Portion). The Non-Equity Incentive (NEI) portion (60% of target value) is a performance-based cash award that is based on Occidental's performance during the year as measured against EPS[2] targets established in the first quarter of the year. EPS was chosen as the financial target for all corporate executives, including the named executive officers, because it directly impacts stockholder value, is a readily determinable measure of annual performance and rewards the executives for current operating performance. In early 2013, the Compensation Committee set the 2013 EPS targets with $7.00 per share as the target, $6.26 per share as the threshold for any payout, and $7.75 per share resulting in the maximum payout of 200% of the target value. The payout percentage for EPS values from $6.25 to $7.75 is based on a linear interpolation of values from 0% to 200%. These targets were chosen based on consideration of management's financial models, as well as a review of analysts' estimates of Occidental's earnings per share for 2013 and then-current estimates of global oil prices for 2013. The EPS for 2013 as certified by the Compensation Committee was $6.95[4], which resulted in a payout percentage of 93% for all executives participating in this bonus program, including the named executive officers.

Bonus Award (Discretionary Portion). The Bonus portion (40% of target value) is a discretionary cash award designed to link incentive compensation directly to the performance of the particular executive. Payout is determined by the Compensation Committee's subjective assessment of an executive's handling of certain key performance areas within such executive's area of responsibility, as well as the executive's response to unanticipated challenges during the year. Key performance areas assessed by the Compensation Committee include:

- Organizational development;
- Succession planning;
- Governance and ethical conduct;
- Functional and operating accomplishments;
- Health, environment and safety responsibilities; and

•Encouragement of diversity.

The Board also announced that in evaluating the Chief Executive Officer's performance, emphasis will be placed on the company's financial performance as well as succession planning, talent development and maintaining and improving the company's achievements in health, environmental and safety matters.

Long-Term Compensation. This portion of compensation consists of performance-based awards that provide incentives for achieving results consistent with the goal of sustained growth in stockholder value. The Compensation Committee believes that long-term compensation should represent the largest portion of an executive's total compensation package and that the levels of payouts should reflect the company's performance levels. During the process of determining the values of each named executive officer's compensation package, the Compensation Committee evaluated many factors, including the following:

•Alignment of executive and stockholder interests in achieving long-term growth in stockholder value,

•Ensuring that maximum payouts are made only for exceptional performance,

•Consistency with the compensation programs of peer companies[5],

•Allocation of total compensation between long-term and short-term components, and

•Satisfaction of the tax deductibility requirements of Section 162(m) of the Internal Revenue Code.

This portion of the executive compensation program includes three types of awards for each named executive officer other than the Chief Executive Officer: (i) an incentive based on either return on capital employed (for executives with primarily corporate level responsibilities) or two return on asset awards (one for the oil & gas division as a whole and the other for the regional oil & gas division for which the executive is responsible); (ii) performance incentives based on TSR; and (iii) performance-based restricted stock incentives. For all named executive officers, other than Mr. Chazen, the Compensation Committee awarded long-term incentives in the following percentages: 40% to either one ROCE award or to two ROA awards, 30% to the TSR award and 30% to the RSI award.

4 For purposes of the Performance-Based Portion of the Annual Incentive, Core, Basic Earnings Per Share (EPS) is computed by excluding the "Significant Items Affecting Earnings" from Occidental's Net Income and dividing this amount by the weighted-average basic shares outstanding. For a discussion of "Significant Items Affecting Earnings," see "Management Discussion and Analysis of Financial Condition and Results of Operations" on page 25 of Occidental's Annual Report on Form 10-K for the year ended December 31, 2013 (Form 10-K) and, for Basic Earnings Per Common Share see page 44 of the Form 10-K.

5 Based on publicly available 2012 information for peer companies.

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The following table summarizes key features of the long-term incentive components of the 2013 compensation program for named executive officers, other than Dr. Irani, who ceased serving as an executive officer in May and later separated from the company in 2013.

Summary of Long-Term Incentive Compensation

Compensation Component		**Return on Capital Employed Award**	**Return on Assets Award**s	**Total Shareholder Return Award**[6]	**Restricted Stock Award**
PERFORMANCE PERIOD		3 Years[2]	3 Years[2]	3 Years	3-7 Years[7]
FORM OF PAYOUT		Stock	Stock	Stock	Stock
PERFORMANCE BASIS		Return on Capital Employed[3]	Return on Assets for Oil and Gas segment as a whole (ROA-Total), or for the Middle East/North Africa region (ROA-MENA)[5]	TSR ranking within peer group, TSR being positive or negative, and TSR of S&P 500 Index	Cumulative Net Income
PAYOUT RANGE	**Minimum** Payout[1]	0%	0%	0%	0%
	Performance Resulting in Minimum Payout	ROCE < 9%[4]	ROA-Total < 9%[4] ROA-MENA < 12%[4]	TSR ranking of 25th percentile or less	Cumulative Net Income < $12 billion[7]
	Target Payout[1]	100%	100%	100%	100%
	Performance Required for Target Payout	ROCE = 12%[4]	ROA-Total = 13%[4] ROA-MENA = 16%[4]	TSR performance two-thirds of the way between the 25th percentile TSR (0% payout) and the 75th percentile TSR (150% payout)[6]	Cumulative Net Income ≥ $12 billion[7]
	Maximum Payout[1]	200%	200%	150%	100%
	Performance Required for Maximum Payout				