



April 4, 2013

To: Institutional Shareholder Services (ISS)

You have been copied on our letter to Occidental Petroleum's Board of Directors. As you form your opinion for the upcoming proxy election, please consider the following gathered from publicly available information.

1) Excessive compensation of the Independent Board

In 2012, each current independent board member received, on average, ~\$640,000.¹ ISI Group reports that this is the 5th highest board compensation in the S&P 500². The company does not offer any justification for that level of compensation.

We believe that this can only serve to bias a board in executing its fiduciary obligations.

2) Excessive compensation of Management

The board has continued to unjustifiably compensate senior management. Since 2000, the two top executives have received at least \$640 million in total compensation, with Dr. Irani receiving the lion's share.³

Compensation as reported in the proxies is understated.

- a) Prior to 2006, the compensation tables reflected the number of options received, rather than the value.
- b) The increase in share value pushes the total compensation of the two top executives hundreds of millions of dollars higher since 2000.

3) The Independent Board's economic interests are unaligned with shareholders.

The Independent Board has beneficial ownership of 233,970 shares, 97% of which they have granted to themselves. The Independent Board has purchased just 6,000 shares, worth just ~\$500,000 since 1995 – despite egregious compensation.⁴

Of the nine current independent board members, only two have purchased stock since 1995.

In light of the above and in concert with the attached letter to the Board, we believe that Occidental Petroleum is not acting in the best interest of shareholders. Dr. Ray Irani, the members of the Executive Compensation and Human Resources Committee as well as the Corporate Governance Committee should be held accountable.

Respectfully submitted,

A handwritten signature in black ink that reads 'Steven Romick'.

Steven Romick
Managing Partner

¹ Occidental Petroleum 14A filings

² S&P 500 is an index of 500 stocks chosen for market size, liquidity and industry grouping, among other factors. The S&P 500 is designed to be a leading indicator of U.S. equities and is meant to reflect the risk/return characteristics of the large cap universe.

³ Occidental Petroleum 14A filings

⁴ SmartInsider.net

Click [here](#) for the letter to the Board of Directors at Occidental Petroleum.

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