

HALLIBURTON CO  
Form DEF 14A  
April 07, 2015  
**UNITED STATES**

**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**SCHEDULE 14A**

(RULE 14a-101)

**INFORMATION REQUIRED IN PROXY STATEMENT**

**SCHEDULE 14A INFORMATION**

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

Exchange Act of 1934 (Amendment No. )

Filed by the Registrant    Filed by a Party other than the Registrant

**Check the appropriate box:**

Preliminary Proxy Statement

CONFIDENTIAL, FOR USE OF THE COMMISSION ONLY (AS PERMITTED BY RULE 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material under §240.14a-12

**HALLIBURTON COMPANY**

*(Name of Registrant as Specified in its Charter)*

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

**Payment of Filing Fee (Check the appropriate box):**

**No fee required.**

**Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.**

- (1) Title of each class of securities to which transaction applies:
- (2) Aggregate number of securities to which transaction applies:
- (3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):
- (4) Proposed maximum aggregate value of transaction:
- (5) Total fee paid:

**Fee paid previously with preliminary materials.**

**Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.**

- (1) Amount Previously Paid:
- (2) Form, Schedule or Registration Statement No.:
- (3) Filing Party:
- (4) Date Filed:

Notice of Annual Meeting of Stockholders and  
2015 Proxy Statement

Wednesday, May 20, 2015 at 9:00 a.m. Central Daylight Time

3000 N. Sam Houston Parkway East, Life Center - Auditorium, Houston, Texas 77032

To Our Valued Stockholders:

At Halliburton, we are committed to innovation, collaboration, and execution in an effort to deliver superior value for our customers, our employees, and our stockholders.

We have set bold goals to stretch our abilities, drive our growth, and maximize the long-term prospects for our business. In 2014, we once again delivered industry-leading growth and returns by executing on our key strategies around unconventional, mature fields, and deepwater. Looking at 2015, we are facing a very challenging environment, but we have a management team that has been through previous downturns and we intend to emerge from this cycle as a much stronger company on a relative basis. We also expect to close on a monumental event in our company's life – the pending Baker Hughes Incorporated acquisition. The opportunities that will come from bringing together these two highly regarded and successful organizations are extraordinary, and the combined organization will create a bellwether global oilfield services company.

We recognize the role stockholders play in our ongoing success and appreciate the confidence you expressed in Halliburton by approving the issuance of shares necessary to complete the Baker Hughes acquisition.

I am pleased to invite you to attend the Annual Meeting of Stockholders of Halliburton Company. The meeting will be held on Wednesday, May 20, 2015, at 9:00 a.m. Central Daylight Time at our corporate office at 3000 N. Sam Houston Parkway East, Life Center – Auditorium, Houston, Texas 77032.

Please refer to the proxy statement for detailed information on each of the proposals presented this year.

It is imperative that your shares are represented and voted at the meeting. If you attend the meeting, you may vote in person even if you have previously voted.

We appreciate the continuing interest of our stockholders in the business of Halliburton, and hope you will be able to attend the Annual Meeting.

Sincerely,

**David J. Lesar**

*Chairman of the Board  
and Chief Executive Officer*

April 7, 2015

Table of Contents

<b><u>LETTER FROM CHAIRMAN OF THE BOARD</u></b>	
<b><u>PROXY STATEMENT SUMMARY</u></b>	<b><u>iv</u></b>
<b><u>NOTICE OF ANNUAL MEETING OF STOCKHOLDERS</u></b>	<b><u>1</u></b>
<b><u>GENERAL INFORMATION</u></b>	<b><u>2</u></b>
<b><u>CORPORATE GOVERNANCE</u></b>	<b><u>3</u></b>
<b><u>THE BOARD OF DIRECTORS AND STANDING COMMITTEES OF DIRECTORS</u></b>	<b><u>4</u></b>
<b><u>PROPOSAL NO. 1 – ELECTION OF DIRECTORS</u></b>	<b><u>10</u></b>
<u>Information about Nominees for Director</u>	<u>10</u>
<b><u>DIRECTORS’ COMPENSATION</u></b>	<b><u>13</u></b>
<b><u>STOCK OWNERSHIP INFORMATION</u></b>	<b><u>17</u></b>
<b><u>PROPOSAL NO. 2 – RATIFICATION OF THE SELECTION OF AUDITORS</u></b>	<b><u>19</u></b>
<b><u>AUDIT COMMITTEE REPORT</u></b>	<b><u>20</u></b>
<b><u>FEES PAID TO KPMG LLP</u></b>	<b><u>21</u></b>
<b><u>PROPOSAL NO. 3 – ADVISORY APPROVAL OF EXECUTIVE COMPENSATION</u></b>	<b><u>22</u></b>
<b><u>COMPENSATION DISCUSSION AND ANALYSIS</u></b>	<b><u>23</u></b>
<b><u>COMPENSATION COMMITTEE REPORT</u></b>	<b><u>35</u></b>

[Back to Contents](#)

<b><u>SUMMARY COMPENSATION TABLE</u></b>	<b><u>36</u></b>
<b><u>GRANTS OF PLAN-BASED AWARDS IN FISCAL 2014</u></b>	<b><u>39</u></b>
<b><u>OUTSTANDING EQUITY AWARDS AT FISCAL YEAR END 2014</u></b>	<b><u>40</u></b>
<b><u>2014 OPTION EXERCISES AND STOCK VESTED</u></b>	<b><u>41</u></b>
<b><u>2014 NONQUALIFIED DEFERRED COMPENSATION</u></b>	<b><u>42</u></b>
<b><u>EMPLOYMENT CONTRACTS AND CHANGE-IN-CONTROL ARRANGEMENTS</u></b>	<b><u>43</u></b>
<b><u>POST-TERMINATION OR CHANGE-IN-CONTROL PAYMENTS</u></b>	<b><u>44</u></b>
<b><u>EQUITY COMPENSATION PLAN INFORMATION</u></b>	<b><u>48</u></b>
<b><u>PROPOSAL NO. 4 – PROPOSAL TO AMEND AND RESTATE THE HALLIBURTON COMPANY STOCK AND INCENTIVE PLAN</u></b>	<b><u>49</u></b>
<b><u>PROPOSAL NO. 5 – PROPOSAL TO AMEND AND RESTATE THE HALLIBURTON COMPANY EMPLOYEE STOCK PURCHASE PLAN</u></b>	<b><u>55</u></b>
<b><u>ADDITIONAL INFORMATION</u></b>	<b><u>58</u></b>
<a href="#">Involvement in Certain Legal Proceedings</a>	<a href="#">58</a>
<b><u>OTHER MATTERS</u></b>	<b><u>58</u></b>
<b><u>APPENDIX A – CORPORATE GOVERNANCE GUIDELINES</u></b>	<b><u>A-1</u></b>
<b><u>APPENDIX B – STOCK AND INCENTIVE PLAN</u></b>	<b><u>B-1</u></b>
<b><u>APPENDIX C – EMPLOYEE STOCK PURCHASE PLAN</u></b>	<b><u>C-1</u></b>
HALLIBURTON - 2015 Proxy Statement	iii

[Back to Contents](#)

## Proxy Statement Summary

*This summary highlights information contained elsewhere in this proxy statement. This summary does not contain all of the information that you should consider, and you should read the entire proxy statement carefully before voting. Page references are supplied to help you find further information in this proxy statement.*

### Eligibility to Vote (page 2)

You can vote if you were a stockholder of record at the close of business on March 23, 2015.

### How to Cast Your Vote (page 2)

You can vote by any of the following methods:

- Internet ([www.envisionreports.com/HAL](http://www.envisionreports.com/HAL)) until 1:00 a.m. Eastern Standard Time on May 20, 2015;
- Telephone until 1:00 a.m. Eastern Standard Time on May 20, 2015;
- Completing, signing and returning your proxy or voting instruction card before May 20, 2015; or
- In person, at the annual meeting: If you are a stockholder of record, we have a record of your ownership. If your shares are held in the name of a broker, nominee or other intermediary, you must bring proof of ownership with you to the meeting.

### Auditors (page 19)

As a matter of good corporate governance, we are asking our stockholders to ratify the selection of KPMG LLP as our principal independent public accountants for 2015.

### Voting matters (pages 10, 19, 22, 49, 55)

	<b>Board Vote Recommendation (for more detail)</b>	<b>Page Reference</b>
Election of Directors	FOR each Nominee	10



Ratification of the Selection of Auditors	FOR	19
Advisory Approval of Executive Compensation	FOR	22
Company Stock and Incentive Plan Proposal	FOR	49
Employee Stock Purchase Plan Proposal	FOR	55

**Governance of the Company (page 3)**

Corporate Governance

Corporate Governance Guidelines and Committee Charters
Code of Business Conduct
Related Persons Transactions Policy
The Board of Directors and Standing Committees of Directors
Board Attendance
Board Leadership
Lead Independent Director
Independent Committees
Board Risk Oversight
Stockholder Nominations of Directors
Qualifications of Directors
Process for Selection of New Directors
Stockholder Communication

[Back to Contents](#)**Board Nominees (page 10)**

<b>Name</b>	<b>Age</b>	<b>Director since</b>	<b>Occupation</b>	<b>Independent (Yes/No)</b>	<b>Committee Memberships</b>	<b>Other Company Boards</b>
Abdulaziz F. Al Khayyal	61	2014	Retired Senior Vice President, Industrial Relations, Saudi Aramco	Yes	<ul style="list-style-type: none"> <li>• Health, Safety and Environment</li> <li>• Nominating and Corporate Governance</li> </ul>	
Alan M. Bennett	64	2006	Retired President and CEO of H & R Block	Yes	<ul style="list-style-type: none"> <li>• Audit (Chair)</li> <li>• Nominating and Corporate Governance</li> </ul>	<ul style="list-style-type: none"> <li>• Fluor Corporation</li> <li>• TJX Companies, Inc.</li> </ul>
James R. Boyd	68	2006	Retired Chairman of the Board of Arch Coal, Inc.	Yes	<ul style="list-style-type: none"> <li>• Audit</li> <li>• Compensation (Chair)</li> </ul>	
Milton Carroll	64	2006	Executive Chairman of the Board of CenterPoint Energy, Inc.	Yes	<ul style="list-style-type: none"> <li>• Compensation</li> <li>• Nominating and Corporate Governance</li> </ul>	<ul style="list-style-type: none"> <li>• Western Gas Holdings, LLC</li> <li>• LyondellBasell Industries</li> </ul>
Nance K. Dicciani	67	2009	Retired President and CEO of Honeywell International Specialty Materials	Yes	<ul style="list-style-type: none"> <li>• Audit</li> <li>• Health, Safety and Environment</li> </ul>	<ul style="list-style-type: none"> <li>• Praxair, Inc.</li> <li>• LyondellBasell Industries</li> </ul>
Murry S. Gerber	62	2012	Retired Executive Chairman of the Board of EQT Corporation	Yes	<ul style="list-style-type: none"> <li>• Audit</li> <li>• Compensation</li> </ul>	<ul style="list-style-type: none"> <li>• BlackRock, Inc.</li> <li>• United States Steel Corporation</li> </ul>
José C. Grubisich	58	2013	Chief Executive Officer of Eldorado Brasil Celulose	Yes	<ul style="list-style-type: none"> <li>• Audit</li> <li>• Health, Safety and Environment</li> </ul>	<ul style="list-style-type: none"> <li>• Vallourec S.A.</li> </ul>
David J. Lesar (Chairman)	61	2000	Chairman of the Board and CEO of Halliburton	No		<ul style="list-style-type: none"> <li>• Agrium, Inc.</li> </ul>
Robert A. Malone	63	2009	Executive Chairman, President and Chief Executive Officer of First Sonora Bancshares, Inc.	Yes	<ul style="list-style-type: none"> <li>• Compensation</li> <li>• Health, Safety and Environment (Chair)</li> </ul>	<ul style="list-style-type: none"> <li>• Peabody Energy Company</li> </ul>
J. Landis Martin	69	1998	Founder of Platte River Equity	Yes	<ul style="list-style-type: none"> <li>• Health, Safety and Environment</li> </ul>	<ul style="list-style-type: none"> <li>• Lead Director of Apartment Investment</li> </ul>

(Lead  
Director)

- Nominating and Corporate Governance
- and Management Company
- Chairman of Crown Castle International Corporation
- Lead Director of Intrepid Potash, Inc.
- Atwood Oceanics, Inc.

Jeffrey A. Miller	51	2014	President of Halliburton	No
Debra L. Reed	58	2001	Chairman of the Board and CEO of Sempra Energy	Yes

- Compensation
- Nominating and Corporate Governance (Chair)

**Named Executive Officers (page 23)**

<b>Name</b>	<b>Age</b>	<b>Occupation</b>	<b>Since</b>
David J. Lesar	61	Chairman of the Board and Chief Executive Officer	2000
Mark A. McCollum	56	Executive Vice President and Chief Financial Officer <sup>(1)</sup>	2008
James S. Brown	60	President - Western Hemisphere	2008
Jeffrey A. Miller	51	President	2014
Joe D. Rainey	58	President - Eastern Hemisphere	2011

*Effective January 1, 2015, Mr. McCollum assumed the role of Executive Vice President and Chief Integration (1) Officer serving as head of the Joint Integration Team that Halliburton and Baker Hughes are assembling in connection with the pending acquisition of Baker Hughes.*

**2014 Highlights**

*(for more detail please see Form 10-K)*

- We set revenue records as a total company, including both divisions and 12 out of 13 product service lines.
- We achieved record total company operating income, as well as in our Middle East/Asia region and four out of 13 product service lines.
- We returned 33% of our cash flow from operations to our stockholders, including \$800 million in share repurchases and over \$500 million in dividends.
- We executed a merger agreement to acquire Baker Hughes in a stock and cash transaction.
- We reached a settlement agreement relating to the Macondo well incident litigation for approximately \$1.1 billion.



[Back to Contents](#)**Executive Compensation****Objectives (page 24)**

Our executive compensation program is composed of base salary, short-term incentives, and long-term incentives and is designed to achieve the following objectives:

- Provide a clear and direct relationship between executive pay and our performance on both a short-term and long-term basis;
- Emphasize operating performance drivers;
- Link executive pay to measures that drive stockholder value;
- Support our business strategies; and
- Maximize the return on our human resource investment.

**2014 Executive Total Compensation Mix (page 25)****2014 Executive Compensation Summary (page 36)**

Name	Salary (\$)	Bonus (\$)	Stock Awards (\$)	Option Awards (\$)	Non-Equity	Change in Pension Value and Nonqualified Deferred Compensation Earnings (\$)	All Other	Total (\$)
					Incentive Plan Compensation (\$)	Compensation	Compensation	
David J. Lesar	1,630,000	0	3,912,000	2,178,163	10,872,600	269,185	1,698,209	20,560,157
Mark A. McCollum	760,000	0	4,531,750	567,472	2,769,000	43,427	491,054	9,162,703
James S. Brown	820,000	0	1,304,000	727,685	3,482,000	79,934	986,492	7,400,111

Edgar Filing: HALLIBURTON CO - Form DEF 14A

Jeffrey A. Miller	912,500	0	5,639,516	1,407,673	2,114,375	14,428	892,290	10,980,782
Joe D. Rainey	788,000	0	1,304,000	727,685	3,418,000	97,957	3,011,531	9,347,173

**HALLIBURTON** - 2015 Proxy Statement vi

[Back to Contents](#)

### **Notice of Annual Meeting of Stockholders to be held May 20, 2015**

Halliburton Company, a Delaware corporation, will hold its Annual Meeting of Stockholders on Wednesday, May 20, 2015 at 9:00 a.m. Central Daylight Time at its corporate office at 3000 N. Sam Houston Parkway East, Life Center - Auditorium, Houston, Texas 77032. At the meeting, the stockholders will be asked to consider and act upon the matters discussed in the attached proxy statement as follows:

1. To elect the twelve nominees named in the attached proxy statement as Directors to serve for the ensuing year and until their successors shall be elected and shall qualify.
2. To consider and act upon a proposal to ratify the appointment of KPMG LLP as principal independent public accountants to examine the financial statements and books and records of Halliburton for the year ending December 31, 2015.
3. To consider and act upon advisory approval of our executive compensation.
4. To consider and act upon a proposal to amend and restate the Halliburton Company Stock and Incentive Plan.
5. To consider and act upon a proposal to amend and restate the Halliburton Company Employee Stock Purchase Plan.
6. To transact any other business that properly comes before the meeting or any adjournment or adjournments of the meeting.

These items are fully described in the following pages, which are made a part of this Notice. The Board of Directors has set the close of business on Monday, March 23, 2015 as the record date for the determination of stockholders entitled to notice of and to vote at the meeting and at any adjournment of the meeting.

### **INTERNET AVAILABILITY OF PROXY MATERIALS**

On or about April 7, 2015, we mailed our stockholders a Notice of Internet Availability of Proxy Materials containing instructions on how to access our 2015 proxy statement and 2014 Annual Report on Form 10-K and how to vote online. The notice also provides instruction on how you can request a paper copy of these documents if you desire. If you received your annual materials via email, the email contains voting instructions and links to the proxy statement and Form 10-K on the Internet.

**IF YOU PLAN TO ATTEND**

**Attendance at the meeting is limited to stockholders and one guest each. Admission will be on a first-come, first-served basis. Registration will begin at 8:00 a.m., and the meeting will begin at 9:00 a.m. Each stockholder holding stock in a brokerage account will need to bring a copy of a brokerage statement reflecting stock ownership as of the record date. Please note that you will be asked to present valid picture identification, such as a driver's license or passport.**

**April 7, 2015**

By order of the Board of Directors,

**Christina M. Ibrahim**

*Vice President and Corporate Secretary*

***You are urged to vote your shares as promptly as possible by following the voting instructions in the Notice of Internet Availability of Proxy Materials.***



[Back to Contents](#)

## GENERAL INFORMATION

We are providing these proxy materials to you in connection with the solicitation by the Board of Directors of Halliburton Company, or the Board, of proxies to be voted at our 2015 Annual Meeting of Stockholders and at any adjournment or postponement of the meeting. By executing and returning the enclosed proxy, by following the enclosed voting instructions or by voting via the Internet or by telephone, you authorize the persons named in the proxy to represent you and vote your shares on the matters described in the Notice of Annual Meeting.

The Notice of Internet Availability of Proxy Materials is being sent to stockholders on or about April 7, 2015. Our Annual Report on Form 10-K, including financial statements, for the fiscal year ended December 31, 2014 accompanies this proxy statement. The Annual Report on Form 10-K shall not be considered as a part of the proxy solicitation material or as having been incorporated by reference.

Subject to space availability, all stockholders as of the record date, or their duly appointed proxies, may attend the Annual Meeting, and each may be accompanied by one guest. Admission to the Annual Meeting will be on a first-come, first-served basis. Registration will begin at 8:00 a.m., and the Annual Meeting will begin at 9:00 a.m. Please note that we will ask you to present valid picture identification, such as a driver's license or passport, when you check in at the registration desk.

If you hold your shares in "street name" (that is, through a broker or other nominee), you will need to bring a copy of a brokerage statement reflecting your stock ownership as of the record date.

**You may not bring cameras, recording equipment, electronic devices, large bags, briefcases or packages into the Annual Meeting.**

If you attend the Annual Meeting, you may vote in person. If you are not present, you can only vote your shares if you have voted via the Internet, by telephone or returned a properly executed proxy; in these cases, your shares will be voted as you specify. If you return a properly executed proxy and do not specify a vote, your shares will be voted in accordance with the recommendations of the Board. You may revoke the authorization given in your proxy at any time before the shares are voted at the Annual Meeting.

The record date for determination of the stockholders entitled to vote at the Annual Meeting is the close of business on March 23, 2015. Our common stock, par value \$2.50 per share, is our only class of capital stock that is outstanding. As of March 23, 2015, there were 849,711,234 shares of our common stock outstanding. Each of our outstanding shares of common stock is entitled to one vote on each matter submitted to the stockholders for a vote at the Annual Meeting. We will keep a complete list of stockholders entitled to vote at our principal executive office for ten days

before, and will also have the list available at, the Annual Meeting. Our principal executive office is located at 3000 N. Sam Houston Parkway East, Administration Building, Houston, Texas 77032.

Votes cast by proxy or in person at the Annual Meeting will be counted by the persons we appoint to act as election inspectors for the Annual Meeting. Except as set forth below, the affirmative vote of the majority of shares present in person or represented by proxy at the Annual Meeting and entitled to vote on the subject matter will be the act of the stockholders. Shares for which a stockholder has elected to abstain on a matter will count for purposes of determining the presence of a quorum and, except as set forth below, will have the effect of a vote against the matter.

Each Director shall be elected by the vote of the majority of the votes cast, provided that if the number of nominees exceeds the number of Directors to be elected and any stockholder-proposed nominee has not been withdrawn before the tenth (10<sup>th</sup>) day preceding the day we mail the Notice of Internet Availability of Proxy Materials to stockholders for the Annual Meeting, the Directors shall be elected by the vote of a plurality of the shares represented in person or by proxy at the Annual Meeting and entitled to vote on the election of Directors. A majority of the votes cast means that the number of shares voted “for” a Director must exceed the number of votes cast “against” that Director; we will not count abstentions.

The election inspectors will treat broker non-vote shares, which are shares held in street name that cannot be voted by a broker on specific matters in the absence of instructions from the beneficial owner of the shares, as shares that are present and entitled to vote for purposes of determining the presence of a quorum. In determining the outcome of any matter for which the broker does not have discretionary authority to vote, however, those shares will not have any effect on that matter. A broker may be entitled to vote those shares on other matters.

In accordance with our confidential voting policy, no particular stockholder’s vote will be disclosed to our officers, Directors, or employees, except:

- as necessary to meet legal requirements and to assert claims for and defend claims against us;
- when disclosure is voluntarily made or requested by the stockholder;
- when the stockholder writes comments on the proxy card; or
- in the event of a proxy solicitation not approved and recommended by the Board.

The proxy solicitor, the election inspectors, and the tabulators of all proxies, ballots, and voting tabulations are independent and are not our employees.



[Back to Contents](#)

## **CORPORATE GOVERNANCE**

### **Corporate Governance Guidelines and Committee Charters**

Our Board has long maintained a formal statement of its responsibilities and corporate governance guidelines to ensure effective governance in all areas of its responsibilities. Our corporate governance guidelines, as revised in January 2015, are attached as Appendix A to this proxy statement and are also available on our website at [www.halliburton.com](http://www.halliburton.com) by clicking on the tab “About Us,” and then the “Corporate Governance” link. The guidelines are reviewed periodically and revised as appropriate to reflect the dynamic and evolving processes relating to corporate governance, including the operation of the Board.

In order for our stockholders to understand how the Board conducts its affairs in all areas of its responsibility, the full text of the charters of our Audit; Compensation; Health, Safety and Environment; and Nominating and Corporate Governance Committees are also available on our website.

Except to the extent expressly stated otherwise, information contained on or accessible from our website or any other website is not incorporated by reference into and should not be considered part of this proxy statement.

### **Code of Business Conduct**

Our Code of Business Conduct, which applies to all of our employees and Directors and serves as the code of ethics for our principal executive officer, principal financial officer, principal accounting officer or controller, and other persons performing similar functions, is available on our website. Any waivers to our Code of Business Conduct for our Directors or executive officers can only be made by our Audit Committee. There were no waivers of the Code of Business Conduct in 2014.

### **Related Persons Transactions Policy**

Our Board has adopted a written policy governing related persons transactions as part of the Board’s commitment to good governance and independent oversight. The policy covers transactions involving any of our Directors, executive officers, nominees for Director, or greater than 5% stockholders, or any immediate family member of the foregoing, among others.

The types of transactions covered by this policy are transactions, arrangements or relationships, or any series of similar transactions, arrangements or relationships, including any indebtedness or guarantee of indebtedness, in which (1) we or any of our subsidiaries were or will be a participant, (2) the aggregate amount involved exceeds \$120,000 in any calendar year, and (3) any related person had, has or will have a direct or indirect interest (other than solely as a result of being a director of, or holding less than a 10% beneficial ownership interest in, another entity).

Under the policy, we generally only enter into or ratify related persons transactions when the Board determines such transactions are in our best interests and the best interests of our stockholders. In determining whether to approve or ratify a related person transaction, the Board will consider the following factors and such other factors it deems appropriate:

- whether the related person transaction is on terms comparable to terms generally available with an unaffiliated third party under the same or similar circumstances;
- the benefits of the transaction to us;
- the extent of the related person's interest in the transaction; and
- whether there are alternative sources for the subject matter of the transaction.

[Back to Contents](#)

## **THE BOARD OF DIRECTORS AND STANDING COMMITTEES OF DIRECTORS**

The Board has standing Audit; Compensation; Health, Safety and Environment; and Nominating and Corporate Governance Committees. Each of the standing committees are comprised of non-employee Directors, and in the business judgment of the Board, all of the non-employee Directors are independent, after considering all relevant facts and circumstances, as well as the independence standards set forth in our corporate governance guidelines. Our corporate governance guidelines are attached as Appendix A to this proxy statement and are also available on our website at [www.halliburton.com](http://www.halliburton.com).

Our independence standards meet, and in some instances exceed, NYSE independence requirements. Our definition of independence and compliance with our independence standards is periodically reviewed by the Nominating and Corporate Governance Committee. There were no relevant transactions, relationships, or arrangements not disclosed in this proxy statement that were considered by the Board in making its determination as to the independence of the Directors.

### **Board Attendance**

During 2014, the Board held 9 meetings and met in Executive Session, without management present, on 6 occasions.

Committee meetings were held as follows:

Audit Committee	9
Compensation Committee	4
Health, Safety and Environment Committee	5
Nominating and Corporate Governance Committee	5

All members of the Board attended at least 86% of the total number of meetings of the Board and the committees on which he or she served during the last fiscal year.

All of our Directors attended the 2014 Annual Meeting, as required by our corporate governance guidelines.

### **Board Leadership**

Our By-laws provide that the Board should have the flexibility to determine the appropriate leadership of the Board, and whether the roles of Chairman and Chief Executive Officer should be combined or separate. After review and discussion, our Board has decided that a combined leadership role would best serve the needs of the Company and its stockholders. The Board believes that David J. Lesar, our current Chairman and Chief Executive Officer, with his industry expertise, financial expertise, and in-depth knowledge of Halliburton and its business, is the correct person to fill both roles.

**HALLIBURTON** - *2015 Proxy Statement* 4

[Back to Contents](#)

## **Lead Independent Director**

In order to help ensure independent Board leadership and oversight, the Board has elected Mr. Martin as our Lead Independent Director. Mr. Martin's role and responsibilities are set forth in the Lead Independent Director Charter adopted by the Board and include presiding over the executive sessions of the non-employee Directors and executive sessions of the independent Directors. Mr. Martin also advises management on and approves the agenda items to be considered at meetings of the Board. With the exception of our Chairman and Chief Executive Officer, Mr. Lesar, and our President, Mr. Miller, the Board is composed of independent Directors. Our Lead Independent Director Charter can be found on our website at [www.halliburton.com](http://www.halliburton.com).

## **Independent Committees**

As governance best practice, key committees of the Board are comprised solely of independent Directors. We have established processes for the effective oversight of critical issues entrusted to independent Directors, such as:

- the integrity of our financial statements;
- CEO and senior management compensation;
- CEO and senior management succession planning;
- the election of our Lead Independent Director;
- membership of our Independent Committees;
- Board, Committee, and Director evaluations; and
- nominations for Directors.

The Board believes it has a strong governance structure in place to ensure independent oversight on behalf of all stockholders.

## **Board Risk Oversight**

We have implemented an Enterprise Risk Management system to identify and analyze enterprise level risks and their potential impact on us. At least annually, our Vice President and Treasurer reports to the Audit Committee of the Board on our processes with respect to risk assessment and risk management. Our executive officers are assigned



responsibility for the various categories of risk, with the Chief Executive Officer being ultimately responsible to the Board for all risk categories. The responsibility of the Chief Executive Officer for all risk matters is consistent with his being primarily responsible for managing our day-to-day business.

*Halliburton Board Leadership*

•*Mr. David J. Lesar is our Chairman and CEO*

•*Mr. J. Landis Martin is our Lead Independent Director*

•*11 of our 13 Directors are independent*

•*All members of the Audit; Compensation; Health, Safety and Environment; and Nominating and Corporate Governance Committees are independent.*

*Our Board believes that continuing to combine the position of Chairman and CEO is in the best interests of the Company and our stockholders, and that the strong presence of engaged independent Directors ensures independent oversight.*

**Members of the Committees of Our Board of Directors**

<b>Audit Committee</b>	<b>Compensation Committee</b>	<b>Health, Safety and Environment Committee</b>	<b>Nominating and Corporate Governance Committee</b>
Alan M. Bennett*	James R. Boyd*	Abdulaziz F. Al Khayyal	Abdulaziz F. Al Khayyal
James R. Boyd	Milton Carroll	Nance K. Dicciani	Alan M. Bennett
Nance K. Dicciani	Murry S. Gerber	José C. Grubisich	Milton Carroll
Murry S. Gerber	Robert A. Malone	Abdallah S. Jum'ah	Abdallah S. Jum'ah
José C. Grubisich	Debra L. Reed	Robert A. Malone*	J. Landis Martin
		J. Landis Martin	Debra L. Reed*

\* *Chair*

[Back to Contents](#)  
**Audit Committee**

The Audit Committee's responsibilities include:

- Recommending to the Board the appointment of the independent public accounting firm to audit our financial statements (the "principal independent public accountants");
- Together with the Board, being responsible for the appointment, compensation, retention, and oversight of the work of the principal independent public accountants;
- Reviewing the scope of the principal independent public accountants' examination and the scope of activities of the internal audit department;
- Reviewing our financial policies and accounting systems and controls;
- Reviewing financial statements; and
- Approving the services to be performed by the principal independent public accountants.

The Board has determined that Alan M. Bennett, James R. Boyd, Nance K. Dicciani, Murry S. Gerber, and José C. Grubisich are independent under our corporate governance guidelines and are "audit committee financial experts" as defined by the Securities and Exchange Commission, or SEC. A copy of the Audit Committee Charter is available on our website at [www.halliburton.com](http://www.halliburton.com).

**Compensation Committee**

The Compensation Committee's responsibilities include:

- Overseeing the effectiveness of our compensation program in attracting, retaining, and motivating key employees;
- Utilizing our compensation program to reinforce business strategies and objectives for enhanced stockholder value;
- Administering our compensation program, including our incentive plans, in a fair and equitable manner consistent with established policies and guidelines;
- Developing an overall executive compensation philosophy and strategy; and
- Additional roles and activities with respect to executive compensation as described under Compensation Discussion and Analysis.

A copy of the Compensation Committee Charter is available on our website at [www.halliburton.com](http://www.halliburton.com).

### **Health, Safety and Environment Committee**

The Health, Safety and Environment Committee's responsibilities include:

- Reviewing and assessing our health, safety, and environmental policies and practices;
- Overseeing the communication and implementation of, and reviewing our compliance with, these policies, as well as applicable goals and legal requirements; and
- Assisting the Board with oversight of our risk-management processes relating to health, safety, and the environment.

A copy of our Health, Safety and Environment Committee Charter is available on our website at [www.halliburton.com](http://www.halliburton.com).

### **Nominating and Corporate Governance Committee**

The Nominating and Corporate Governance Committee's responsibilities include:

- Reviewing and recommending revisions to our corporate governance guidelines;
- Overseeing our Director self-evaluation process and performance reviews;
- Identifying and screening candidates for Board and committee membership;
- Reviewing the overall composition profile of the Board for the appropriate mix of skills, characteristics, experience, and expertise; and
- Reviewing and making recommendations on Director compensation practices.

A copy of our Nominating and Corporate Governance Committee Charter is available on our website at [www.halliburton.com](http://www.halliburton.com).



[Back to Contents](#)

## **Stockholder Nominations of Directors**

Stockholders may nominate persons for election to the Board at a meeting of stockholders in the manner provided in our By-laws, which include a requirement to comply with certain notice procedures. Nominations shall be made pursuant to written notice to the Vice President and Corporate Secretary at the address of our principal executive offices set forth on page 2 of this proxy statement, and for the Annual Meeting of Stockholders in 2016, must be received not less than 90 days nor more than 120 days prior to the anniversary date of the 2015 Annual Meeting of Stockholders, or no later than February 20, 2016 and no earlier than January 21, 2016.

The stockholder notice must contain, among other things, certain information relating to the stockholder and the proposed nominee as described in our By-laws. In addition, the proposed nominee may be required to furnish other information as we may reasonably require to determine the eligibility of the proposed nominee to serve as a Director. With respect to any proposed nominee nominated in accordance with Section 6 of our By-laws by a stockholder of record owning at least 1% of our issued and outstanding voting stock continuously for at least one year as of the date the written notice of the nomination is submitted to us, our Vice President and Corporate Secretary will (i) obtain from such nominee any additional relevant information the nominee wishes to provide in consideration of his or her nomination, (ii) report on each such nominee to the Nominating and Corporate Governance Committee, and (iii) facilitate having each such nominee meet with the Nominating and Corporate Governance Committee as the Committee deems appropriate.

## **Qualifications of Directors**

Candidates nominated for election or reelection to the Board should possess the following qualifications:

### **Personal characteristics:**

-high personal and professional ethics, integrity, and values;

-an inquiring and independent mind; and

-practical wisdom and mature judgment;

•Broad training and experience at the policy-making level in business, government, education, or technology;

•Expertise that is useful to us and complementary to the background and experience of other Board members, so that an optimum balance of members on the Board can be achieved and maintained;

•

Willingness to devote the required amount of time to carrying out the duties and responsibilities of Board membership;

- Commitment to serve on the Board for several years to develop knowledge about our principal operations;

- Willingness to represent the best interests of all of our stockholders and objectively appraise management performance; and

- Involvement only in activities or interests that do not create a conflict with the Director's responsibilities to us and our stockholders.

The Nominating and Corporate Governance Committee is responsible for assessing the appropriate mix of skills and characteristics required of Board members in the context of the needs of the Board at a given point in time, and shall periodically review and update the criteria. In selecting Director nominees, the Board first considers the personal characteristics, experience, and other criteria as set forth in our corporate governance guidelines. We also identify nominees based on our specific needs and the needs of our Board at the time a nominee is sought. We value all types of diversity, including diversity of our Board. In evaluating the overall mix of qualifications for a potential nominee, the Board also takes into account overall Board diversity in personal background, race, gender, age, and nationality. In considering whether current Directors should be nominated for reelection to the Board, the Nominating and Corporate Governance Committee and the Board will also consider the non-employee Directors' annual assessment of the Board and annual performance review.

[Back to Contents](#)

**Process for the Selection of New Directors**

The Board is responsible for filling vacancies on the Board. The Board has delegated to the Nominating and Corporate Governance Committee the duty of selecting and recommending prospective nominees to the Board for approval. The Nominating and Corporate Governance Committee considers suggestions of candidates for Board membership made by current Committee and Board members, our management, and stockholders. The Committee may retain an independent executive search firm to identify and/or assist in evaluating candidates for consideration. The Committee retained the executive search firm, Spencer Stuart, to assist in evaluating Director nominee Mr. Al Khayyal as a potential Director candidate. Mr. Al Khayyal was identified as a potential Director candidate by Mr. Abdallah S. Jum'ah. A stockholder who wishes to recommend a prospective candidate should notify our Vice President and Corporate Secretary.

When the Nominating and Corporate Governance Committee identifies a prospective candidate, the Committee determines the appropriate method to evaluate the candidate. This determination is based on the information provided to the Committee by the person recommending the prospective candidate and the Committee's knowledge of the candidate. This information may be supplemented by inquiries to the person who made the recommendation or to others. The preliminary determination is based on the need for additional Board members to fill vacancies or to expand the size of the Board, and the likelihood that the candidate will meet the Board membership criteria listed above. The Committee will determine, after discussion with the Chairman of the Board and other Board members, whether a candidate should continue to be considered as a potential nominee. If a candidate warrants additional consideration, the Committee may request an independent executive search firm to gather additional information about the candidate's background, experience, and reputation, and to report its findings to the Committee. The Committee then evaluates the candidate and determines whether to interview the candidate. One or more members of the Committee and others as appropriate then conduct the interviews. Once the evaluation and interviews are completed, the Committee recommends to the Board which candidates should be nominated. The Board makes a determination of nominees after review of the recommendation and the Committee's report.

<b>IDENTIFICATION OF QUALIFIED CANDIDATES</b>	<b>DUE DILIGENCE SCREENING</b>	<b>MEETINGS WITH SHORTLISTED CANDIDATES</b>	<b>DECISION AND NOMINATION</b>
Nominating and Corporate Governance Committee identifies candidates to become Board members	Review of qualifications to determine if candidate meets Board membership criteria	Committee members and, as appropriate, other Board members and management interview the shortlisted candidates	Selection of Director nominees best qualified to serve the interests of Halliburton stockholders

[Back to Contents](#)

## Stockholder Communication

To foster better communication with our stockholders, we established a process for stockholders to communicate with the Audit Committee and the Board. The process has been approved by both the Audit Committee and the Board, and meets the requirements of the New York Stock Exchange, or NYSE, and the SEC. The methods of communication with the Board include telephone, mail and e-mail.

888.312.2692 Board of Directors BoardofDirectors@halliburton.com  
or c/o Director of Business Conduct  
770.613.6348 Halliburton Company  
P.O. Box 42806  
Houston, Texas 77242-2806

Our Director of Business Conduct, an employee, reviews all stockholder communications directed to the Audit Committee and the Board. The Chairman of the Audit Committee is promptly notified of any substantive communication involving accounting, internal accounting controls, or auditing matters. The Lead Independent Director is promptly notified of any other significant stockholder communications, and any board related matters which are addressed to a named Director are promptly sent to that Director. Copies of all communications are available for review by any Director. It should be noted, however, that some items such as advertisements, business solicitations, junk mail, resumes, and any communication that is overly hostile, threatening, or illegal will not be forwarded to the Board. Concerns may be reported anonymously or confidentially. Confidentiality shall be maintained unless disclosure is:

- required or advisable in connection with any governmental investigation or report;
- in the interests of Halliburton, consistent with the goals of our Code of Business Conduct; or
- required or advisable in our legal defense of the matter.

Information regarding these methods of communication is also on our website at [www.halliburton.com](http://www.halliburton.com).



[Back to Contents](#)

## **PROPOSAL NO. 1 ELECTION OF DIRECTORS**

Mr. Abdallah S. Jum'ah, who has served as a Director since 2010, is retiring from the Board immediately prior to the Annual Meeting of Stockholders on May 20, 2015. He will not be a candidate for reelection.

Mr. Abdulaziz F. Al Khayyal was elected to the Board on December 4, 2014. Mr. Jeffrey A. Miller, our President, was elected to the Board on August 1, 2014. Messrs. Al Khayyal and Miller are proposed for the first time for election to the Board of Directors by the stockholders.

The twelve nominees listed below are presently our Directors. The common stock represented by properly executed and returned proxies will be voted to elect the twelve nominees as Directors unless we receive contrary instructions. If any nominee is unwilling or unable to serve, favorable and uninstructed proxies will be voted for a substitute nominee designated by the Board. If a suitable substitute is not available, the Board will reduce the number of Directors to be elected. Each nominee has indicated approval of his or her nomination and his or her willingness to serve if elected. The Directors elected will serve for the ensuing year and until their successors are elected and qualify.

### **Information about Nominees for Director**

#### ***Abdulaziz F. Al Khayyal***

**Age: 61**

**Director Since: 2014**

**Halliburton Committees:** Health, Safety and Environment; Nominating and Corporate Governance

Mr. Al Khayyal is the retired Senior Vice President of Industrial Relations of Saudi Arabian Oil Company (Saudi Aramco) (the world's largest producer of crude oil). Mr. Al Khayyal served as Senior Vice President of Industrial Relations of Saudi Aramco from 2007 to 2014 and served as a director of Saudi Aramco from 2004 to 2014. The Board determined that Mr. Al Khayyal should be nominated for election as a Director because of his exceptional oil and gas knowledge, including significant international business experience in the energy industry, and his executive experience with the world's largest producer of crude oil.

#### ***Alan M. Bennett***

**Age: 64**

**Director Since: 2006**

**Halliburton Committees:** Audit (Chair); Nominating and Corporate Governance

Mr. Bennett is the retired President and Chief Executive Officer of H&R Block, Inc. (a tax and financial services provider). Mr. Bennett served as the President and Chief Executive Officer of H&R Block, Inc. from 2010 to 2011, the Interim Chief Executive Officer of H&R Block, Inc. from 2007 to 2008, and the Senior Vice President and Chief Financial Officer of Aetna, Inc. from 2001 to 2007. Mr. Bennett is a director of Fluor Corporation (since 2011) and

TJX Companies, Inc. (since 2007), and is a former director of H&R Block, Inc. (2008-2011). The Board determined that Mr. Bennett should be nominated for election as a Director because of his financial expertise, ranging from internal audit to corporate controller to chief financial officer of a large, public company. He is a certified public accountant and also has chief executive officer experience.

***James R. Boyd***

**Age: 68**

**Director Since: 2006**

**Halliburton Committees:** Audit; Compensation (Chair)

Mr. Boyd is the retired Chairman of the Board of Arch Coal, Inc. (one of the largest United States coal producers). Mr. Boyd served as a director of Arch Coal, Inc. from 1990 to 2013, and as Chairman of the Board of Arch Coal, Inc. from 1998 to 2006. The Board determined that Mr. Boyd should be nominated for election as a Director because of his experience as chairman and lead director of a large company and his career experience in corporate business development, operations, and strategic planning.

***Milton Carroll***

**Age: 64**

**Director Since: 2006**

**Halliburton Committees:** Compensation; Nominating and Corporate Governance

Mr. Carroll has been the Executive Chairman of the Board of CenterPoint Energy, Inc. (a public utility holding company) since 2013 and Chairman of Health Care Service Corporation (a large health insurance company) since 2002. Mr. Carroll served as Non-Executive Chairman of the Board of CenterPoint Energy, Inc., from 2002 to 2013. Mr. Carroll is a director of Western Gas Holdings, LLC, the general partner of Western Gas Partners L.P. (since 2008) and LyondellBasell Industries (since 2010). Mr. Carroll served as Chairman of Instrument Products, Inc. (a private oil-tool manufacturing company) (1977-2014) and as a director of LRE GP, LLC, the general partner of LRR Energy, L.P. (2011-2014). The Board determined that Mr. Carroll should be nominated for election as a Director because of his public company board experience as an independent director and his knowledge of the oil and natural gas services industry.

[Back to Contents](#)

***Nance K. Dicciani***

**Age: 67**

**Director Since: 2009**

**Halliburton Committees:** Audit; Health, Safety and Environment

Ms. Dicciani is the retired President and Chief Executive Officer of Honeywell International Specialty Materials (a diversified technology and manufacturing company). Ms. Dicciani served as the President and Chief Executive Officer of Honeywell International Specialty Materials from 2001 to 2008. Ms. Dicciani is a director of Praxair, Inc. (since 2008) and LyondellBasell Industries (since 2013), and is a former director of Rockwood Holdings, Inc. (2008-2014). The Board determined that Ms. Dicciani should be nominated for election as a Director because of her technical expertise in the chemical industry, her international operations expertise, and her executive experience as a chief executive officer of a multi-billion dollar strategic business group of a major multinational corporation.

***Murry S. Gerber***

**Age: 62**

**Director Since: 2012**

**Halliburton Committees:** Audit; Compensation

Mr. Gerber is the retired Executive Chairman of the Board of EQT Corporation (a leading producer of unconventional natural gas). Mr. Gerber served as the Executive Chairman of the Board of EQT Corporation from 2010 to 2011, the Chairman and Chief Executive Officer of EQT Corporation from 2000 to 2010, and the Chief Executive Officer and President of EQT Corporation from 1998 to 2007. Mr. Gerber is a director of BlackRock, Inc. (since 2000) and United States Steel Corporation (since 2012). The Board determined that Mr. Gerber should be nominated for election as a Director because of his executive leadership skills and his experience with the Marcellus shale and unconventional oil and natural gas basins.

***José C. Grubisich***

**Age: 58**

**Director Since: 2013**

**Halliburton Committees:** Audit; Health, Safety and Environment

Mr. Grubisich has been Chief Executive Officer of Eldorado Brasil Celulose (a leader in the world cellulose market) since 2012. Previously, Mr. Grubisich served as President and Chief Executive Officer of ETH Bioenergia S.A. (an integrated producer of ethanol and electricity from biomass) from 2008 to 2012. Mr. Grubisich is a director of Vallourec S.A. (since 2012). The Board determined that Mr. Grubisich should be nominated for election as a Director because of his significant international business experience in Latin America and his executive leadership experience.

***David J. Lesar***

**Age: 61**

**Director Since: 2000 (Chairman)**

Mr. Lesar is our Chairman of the Board and Chief Executive Officer. He served as our Chairman, President and Chief Executive Officer from 2000 to 2014. Mr. Lesar is a director of Agrium, Inc. (since 2010). The Board determined that Mr. Lesar should be nominated for election as a Director because of his industry expertise, financial expertise, and

in-depth knowledge of Halliburton and its business.

***Robert A. Malone***

**Age: 63**

**Director Since: 2009**

**Halliburton Committees:** Compensation; Health, Safety and Environment (Chair)

Mr. Malone has been the Executive Chairman, President and Chief Executive Officer of First Sonora Bancshares, Inc. since 2014. Previously, Mr. Malone served as the President and Chief Executive Officer of The First National Bank of Sonora, Texas (a community bank owned by First Sonora Bancshares, Inc.) from 2009 to 2014. Mr. Malone was also an Executive Vice President of BP plc and Chairman of the Board and President, BP America Inc. (one of the nation's largest producers of oil and natural gas) from 2006 to 2009. Mr. Malone is a director of Peabody Energy Company (since 2009). The Board determined that Mr. Malone should be nominated for election as a Director because of his industry expertise and his executive leadership experience, including crisis management and safety performance.

***J. Landis Martin***

**Age: 69**

**Director Since: 1998**

**Halliburton Committees:** Health, Safety and Environment; Nominating and Corporate Governance

Mr. Martin is the founder of Platte River Equity (a private equity firm) and has served as its Managing Director since 2005. Previously, Mr. Martin was the Chairman, from 1989 to 2005, and Chief Executive Officer, from 1995 to 2005, of Titanium Metals Corporation. Mr. Martin serves as our Lead Independent Director. Mr. Martin is the Lead Director of Apartment Investment and Management Company (Director since 1994), the Chairman of Crown Castle International Corporation (since 2002) and Director (since 1999), and the Lead Director of Intrepid Potash, Inc. (since 2008). The Board determined that Mr. Martin should be nominated for election as a Director because of his industry expertise, his executive and board leadership experience, and his knowledge of our operations.

[Back to Contents](#)

***Jeffrey A. Miller***

**Age: 51**

**Director Since: 2014**

Mr. Miller has been our President and a Director since 2014. Mr. Miller was our Executive Vice President and Chief Operating Officer from 2012 to 2014. Mr. Miller also served as Senior Vice President Global Business Development and Marketing from 2011 to 2012, and Senior Vice President, Gulf of Mexico Region during 2010. Mr. Miller is a director of Atwood Oceanics, Inc. (since 2013). The Board determined that Mr. Miller should be nominated for election as a Director because of his strong executive experience, extensive expertise in global operations, as well as business development and marketing.

***Debra L. Reed***

**Age: 58**

**Director Since: 2001**

**Halliburton Committees:** Compensation; Nominating and Corporate Governance (Chair)

Ms. Reed has been the Chief Executive Officer of Sempra Energy (an energy infrastructure and regulated holding company) since 2011 and has served as Chairman of the Board of Sempra Energy since 2012. Previously, Ms. Reed was the Executive Vice President of Sempra Energy from 2010 to 2011 and the President and Chief Executive Officer of Southern California Gas Company and San Diego Gas & Electric Company from 2006 to 2010. Ms. Reed is a former director of Avery Dennison Corporation (2009-2011). The Board determined that Ms. Reed should be nominated for election as a Director because of her executive, operational, financial, and administrative expertise, and her experience as an independent director on public company boards.

**Director Tenure Balance Independence Gender Split**

[Back to Contents](#)

## **DIRECTORS' COMPENSATION**

### **Directors' Fees**

All non-employee Directors receive an annual retainer of \$115,000, an increase of \$15,000 as of May 21, 2014. The Lead Independent Director receives an additional annual retainer of \$25,000 and the chairperson of each committee also receives an additional annual retainer for serving as chair as follows: Audit - \$20,000; Compensation - \$15,000; Health, Safety and Environment - \$15,000; and Nominating and Corporate Governance - \$15,000. Non-employee Directors are permitted to defer all or part of their fees under the Directors' Deferred Compensation Plan described below.

### **Directors' Equity Awards**

Each non-employee Director receives an annual equity award with a value of approximately \$185,000 on the date of the award, an increase of \$25,000 as of May 21, 2014. Each non-employee Director receives an annual equity award consisting of restricted stock units (RSUs), each of which represents the right to receive a share of common stock at a future date. The actual number of RSUs is determined by dividing \$185,000 by the average of the closing price of our common stock on the NYSE on each business day during the month of July. These annual awards are made on or about the first of August of each year. The value of the award may be more or less than \$185,000 based on the closing price of our common stock on the NYSE on the date of the award in August. Non-employee Directors are permitted to defer all of their RSUs under the Directors' Deferred Compensation Plan.

Additionally, when a non-employee Director is first elected to the Board, he or she receives an equity award shortly thereafter of RSUs equal to a pro-rated value of the annual equity award of \$185,000. The factor used to determine the pro-rated award is the number of whole months of service from the beginning of the month in which the Director is elected to the following first of August divided by 12. The number of RSUs awarded is determined by dividing the pro-rated award amount by the average of the closing price of our common stock on the NYSE on each business day during the month immediately preceding the Director's election to the Board.

Directors may not sell, assign, pledge, otherwise transfer, or encumber restricted shares (which were previously granted to non-employee Directors) or RSUs until the restrictions are removed. Restrictions on RSUs lapse 25% a year over four years of service with the applicable underlying shares of common stock distributed annually to the non-employee Director. Except as provided in the next sentence, if a non-employee Director has a separation of service from the Board before completing four years of service since the applicable award date, any unvested RSUs would be forfeited. Restrictions on restricted shares and RSUs lapse following termination of Board service only under specified circumstances, which may include, subject to the Board's discretion, death or disability, retirement under the Director mandatory retirement policy, or early retirement after at least four years of service.

During the restriction period, Directors have the right to (i) vote restricted shares, but not shares underlying RSUs, and (ii) receive dividends or dividend equivalents in cash on restricted shares and RSUs that are not subject to a deferral election. RSUs that are subject to a deferral election receive dividend equivalents under the Directors' Deferred Compensation Plan.

### **Directors' Deferred Compensation Plan**

The Directors' Deferred Compensation Plan is a non-qualified deferred compensation plan and participation is completely voluntary. Under the plan, non-employee Directors are permitted to defer all or part of their retainer fees and all of the shares of common stock underlying their RSUs when they vest. If a non-employee Director elects to defer retainer fees under the plan, then the Director may elect to have his or her deferred fees accumulate under an interest bearing account or translate on a quarterly basis into Halliburton common stock equivalent units (SEUs) under a stock equivalents account. If a non-employee Director elects to defer receipt of the shares of common stock underlying his or her RSUs when they vest, then those shares are retained as deferred RSUs under the plan. The interest bearing account is credited quarterly with interest at the prime rate of Citibank, N.A. The stock equivalents account and deferred RSUs are credited

[Back to Contents](#)

quarterly with dividend equivalents based on the same dividend rate as Halliburton common stock and those amounts are translated into additional SEUs or RSUs, respectively.

After a Director's retirement, distributions under the plan are made to the Director in a single distribution or in annual installments over a 5- or 10-year period as elected by the Director. Distributions under the interest bearing account are made in cash, while distributions of SEUs under the stock equivalents account and deferred RSUs are made in shares of Halliburton common stock. Ms. Dicciani, Ms. Reed, and Messrs. Al Khayyal, Bennett, Boyd, Carroll, and Jum'ah have elected to defer all or part of their retainer fees under the plan, and Ms. Dicciani, Ms. Reed, and Messrs. Al Khayyal, Bennett, Boyd, Carroll, Grubisich, Jum'ah, and Martin have elected to defer all of their RSUs under the plan.

### **Directors' Stock Ownership Requirements**

We have stock ownership requirements for all non-employee Directors to further align their interests with our stockholders. As a result, all non-employee Directors are required to own Halliburton common stock in an amount equal to or in excess of the greater of (A) the cash portion of the Director's annual retainer for the five-year period beginning on the date the Director is first elected to the Board or (B) \$500,000. The Nominating and Corporate Governance Committee reviews the holdings of all non-employee Directors, which include restricted shares, other Halliburton common stock, and RSUs owned by the Director, at each May meeting. Each non-employee Director has five years to meet the requirements, measured from the date he or she is first elected to the Board. Each non-employee Director currently meets the stock ownership requirements or is on track to do so within the requisite five-year period.

### **Director Clawback Policy**

In January 2013, we adopted a clawback policy under which we will seek, in all appropriate cases, to recoup incentive compensation paid to, awarded to, or credited for the benefit of a Director if and to the extent that:

it is determined that, in connection with the performance of that Director's duties, he or she substantially participated

- in a breach of a fiduciary duty arising from a material violation of a U.S. federal or state law, or recklessly disregarded his or her duty to exercise reasonable oversight; or

the Director is named as a defendant in a law enforcement proceeding for having substantially participated in a breach of a fiduciary duty arising from a material violation of a U.S. federal or state law, the Director disagrees with

- the allegations relating to the proceeding and either (A) we initiate a review and determine that the alleged action is not indemnifiable or (B) the Director does not prevail at trial, enters into a plea arrangement, agrees to the entry of a final administrative or judicial order imposing sanctions, or otherwise admits to the violation in a legal proceeding.



Depending on the circumstances described above, the disinterested members of the Board, the disinterested members of the Compensation Committee, and/or the disinterested members of the Nominating and Corporate Governance Committee may be involved in the process of reviewing, considering, and making determinations regarding the Director's alleged conduct, whether recoupment is appropriate or required, and the type and amount of incentive compensation to be recouped from the Director.

The policy also provides that, to the extent permitted by applicable law and not previously disclosed in a filing with the SEC, we will disclose in our proxy statement the circumstances of any recoupment arising under the policy or that there has not been any recoupment pursuant to the policy for the prior calendar year. There was no recoupment under the policy in 2014.

[Back to Contents](#)

## **Charitable Contributions and Other Benefits**

### *Matching Gift Programs*

To further our support for charities, Directors may participate in the Halliburton Foundation's matching gift programs for educational institutions, not-for-profit hospitals, and medical foundations. For each eligible contribution, the Halliburton Foundation makes a contribution of 2.25 times the amount contributed by the Director, subject to approval by its Trustees. The maximum aggregate of all contributions each calendar year by a Director eligible for matching is \$50,000, resulting in a maximum aggregate amount contributed annually by the Halliburton Foundation in the form of matching gifts of up to \$112,500 for any Director who participates in the programs. Neither the Halliburton Foundation nor we have made a charitable contribution, within the preceding three years, to any charitable organization in which a Director serves as an employee or an immediate family member of the Director serves as an executive officer that exceeds in any single year the greater of \$1 million or 2% of such charitable organization's consolidated gross revenues.

### *Accidental Death and Dismemberment*

We offer an optional accidental death and dismemberment policy for non-employee Directors for individual coverage or family coverage with a benefit per Director of up to \$250,000 and lesser amounts for family members. Ms. Dicciani and Messrs. Carroll, Gerber, and Malone elected individual coverage at a cost of \$99 annually. Messrs. Al Khayyal, Grubisich, and Martin elected family coverage at a cost of \$159 annually. These premiums are included in the All Other Compensation column of the 2014 Director Compensation table for those who participate.

[Back to Contents](#)**2014 Director Compensation**

Name	Fees Earned or Paid in Cash (\$)	Stock Awards (\$)	Change in Pension Value and Nonqualified Deferred Compensation Earnings		All Other Compensation (\$)	Total (\$)
Abdulaziz F. Al Khayyal	8,750	97,776			595	107,121
Alan M. Bennett	129,190	178,878	0		144,017	452,085
James R. Boyd	124,190	178,878	0		139,171	442,239
Milton Carroll	109,190	178,878	0		33,518	321,586
Nance K. Dicciani	109,190	178,878	0		132,808	420,876
Murry S. Gerber	109,190	178,878	0		118,385	406,453
José C. Grubisich	109,190	178,878	0		4,350	292,418
Abdallah S. Jum'ah	109,190	178,878	0		125,196	413,264
Robert A. Malone	124,190	178,878	0		126,476	429,544
J. Landis Martin	134,190	178,878	0		141,352	454,420
Debra L. Reed	124,190	178,878	0		147,171	450,239

**Fees Earned or Paid In Cash.** The amounts in this column represent retainer fees earned in fiscal year 2014, but not necessarily paid in 2014. Refer to the section Directors' Fees for information on annual retainer fees.

**Stock Awards.** The amounts in the Stock Awards column reflect the grant date fair value of RSUs awarded in 2014. Accounting Standards Codification (ASC) 718 requires the reporting of the aggregate grant date fair value of equity awards granted to the Director during the fiscal year. We calculate the fair value of equity awards by multiplying the number of RSUs granted by the closing stock price as of the award's grant date.

The number of restricted shares, RSUs, and SEUs held at December 31, 2014 by non-employee Directors are:

Name	Restricted Shares	RSUs	SEUs
Abdulaziz F. Al Khayyal	—	2,433	—
Alan M. Bennett	25,236	11,710	15,299
James R. Boyd	25,236	11,710	28,664
Milton Carroll	20,271	11,710	23,898
Nance K. Dicciani	14,843	11,710	7,567
Murry S. Gerber	2,000	7,942	—
José C. Grubisich	—	7,949	—
Abdallah S. Jum'ah	9,126	11,710	1,973
Robert A. Malone	14,843	7,942	—
J. Landis Martin	35,162	11,710	—
Debra L. Reed	33,562	11,710	11,925

***Change in Pension Value and Nonqualified Deferred Compensation Earnings.*** None of the Directors had a change in pension value or nonqualified deferred compensation earnings that represented above market earnings in 2014.

***All Other Compensation.*** This column includes compensation related to the Halliburton Foundation, Accidental Death and Dismemberment program, dividends or dividend equivalents in cash on restricted shares or RSUs, and dividend equivalents associated with the Directors' Deferred Compensation Plan.

Directors who participated in the matching gift programs under the Halliburton Foundation and the corresponding match provided by the Halliburton Foundation are: Mr. Bennett - \$112,500; Mr. Boyd - \$99,750; Ms. Dicciani - \$112,500; Mr. Gerber - \$112,500; Mr. Jum'ah - \$112,500; Mr. Malone- \$112,500; Mr. Martin - \$112,500; and Ms. Reed - \$112,500. The amounts reflected indicate matching payments made by the Halliburton Foundation in 2014.

Directors who participated in the Accidental Death and Dismemberment program and incurred imputed income for the benefit amount of \$99 for individual coverage and \$159 for family coverage are: Mr. Al Khayyal - \$159; Mr. Carroll- \$99; Ms. Dicciani - \$99; Mr. Gerber - \$99; Mr. Grubisich - \$159; Mr. Malone -\$99; and Mr. Martin - \$159.

Directors who received dividends or dividend equivalents in cash on restricted shares or RSUs held on Halliburton record dates are: Mr. Bennett - \$15,899; Mr. Boyd - \$15,899; Mr. Carroll - \$12,766; Ms. Dicciani - \$9,351; Mr. Gerber - \$5,786; Mr. Jum'ah - \$5,749; Mr. Malone - \$13,877; Mr. Martin - \$22,152; and Ms. Reed - \$21,144.

Directors who received dividend equivalents attributable to their stock equivalents account under the Directors' Deferred Compensation Plan are: Mr. Bennett - \$9,077; Mr. Boyd - \$16,981; Mr. Carroll - \$14,112; Ms. Dicciani - \$4,317; Mr. Jum'ah - \$406; and Ms. Reed - \$6,986.

Directors who received dividend equivalents attributable to their deferred RSUs under the Directors' Deferred Compensation Plan are: Mr. Al Khayyal - \$436; Mr. Bennett - \$6,541; Mr. Boyd - \$6,541; Mr. Carroll - \$6,541; Ms. Dicciani - \$6,541; Mr. Grubisich - \$4,191; Mr. Jum'ah - \$6,541; Mr. Martin - \$6,541; and Ms. Reed - \$6,541.

[Back to Contents](#)**STOCK OWNERSHIP INFORMATION****Section 16(a) Beneficial Ownership Reporting Compliance**

Section 16(a) of the Securities Exchange Act of 1934 requires our Directors and executive officers to file reports of holdings and transactions in Halliburton stock with the SEC and the NYSE. Based on our records and other information, we believe that in 2014 our Directors and our officers who are subject to Section 16 met all applicable filing requirements.

**Stock Ownership of Certain Beneficial Owners and Management**

The following table sets forth beneficial ownership information about persons or groups that own or have the right to acquire more than 5% of our common stock, based on information contained in Schedules 13G filed with the SEC.

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class
BlackRock, Inc. 40 East 52 <sup>nd</sup> Street, New York, NY 10022	47,648,538 <sup>(1)</sup>	5.6%
The Vanguard Group 100 Vanguard Blvd, Malvern, PA 19355	46,133,032 <sup>(2)</sup>	5.4%

*BlackRock, Inc. is a parent holding company and is deemed to be the beneficial owner of 47,648,538 shares.*

*(1) BlackRock has sole power to vote or to direct the vote of 39,972,036 shares and has sole power to dispose or to direct the disposition of 47,613,853 shares. BlackRock has shared power to vote or to direct the vote, and shared power to dispose or to direct the disposition of 34,685 shares.*

*(2) The Vanguard Group is an investment adviser and is deemed to be the beneficial owner of 46,133,032 shares. The Vanguard Group has sole power to vote or to direct the vote of 1,462,335 shares and has sole power to dispose or to direct the disposition of 44,779,442 shares. The Vanguard Group has shared power to dispose or to direct the disposition of 1,353,590 shares.*

The following table sets forth information, as of March 12, 2015, regarding the beneficial ownership of our common stock by each Director, each Named Executive Officer, and by all Directors and executive officers as a group.

Name of Beneficial Owner or Number of Persons in Group	Amount and Nature of Beneficial Ownership		
	Sole Voting and Investment Power <sup>(1),(2)</sup>	Shared Voting or Investment Power	Percent of Class
Abdulaziz F. Al Khayyal	0		*
Alan M. Bennett	27,236		*
James R. Boyd	47,236		*
James S. Brown	439,021		*
Milton Carroll	20,271		*
Nance K. Dicciani	19,843		*
Murry S. Gerber	35,536		*
José C. Grubisich	0		*
Abdallah S. Jum'ah	9,126		*
David J. Lesar	993,711	49,070	(3) *
Robert A. Malone	18,379		*
J. Landis Martin	96,764	(4)	*
Mark A. McCollum	307,818		*
Jeffrey A. Miller	368,777		*
Joe D. Rainey	239,296		*
Debra L. Reed	33,563	500	(5) *
Shares owned by all current Directors and executive officers as a group (22 persons)	3,281,922		*

\*Less than 1% of shares outstanding.

Back to Contents

*The table includes shares of common stock eligible for purchase pursuant to outstanding stock options within 60 days of March 12, 2015 for the following: Mr. Brown –122,901; Mr. Lesar – 435,134; Mr. McCollum – 126,002; Mr. Miller – 48,133; Mr. Rainey –48,700; and six unnamed executive officers – 210,321. Until the options are exercised, (1) these individuals will not have voting or investment power over the underlying shares of common stock, but will only have the right to acquire beneficial ownership of the shares through exercise of their respective options. The table also includes restricted shares of common stock over which the individuals have voting power but no investment power.*

*The table does not include restricted stock units (RSUs) held by non-employee Directors or stock equivalent units (SEUs) held by non-employee Directors under the Directors' Deferred Compensation Plan for the following (RSUs/SEUs): Mr. Al Khayyal – 2,433 / 0; Mr. Bennett – 11,710 / 15,299; Mr. Boyd – 11,710 / 28,664; Mr. Carroll –11,710 / 23,898; Ms. Dicciani – 11,710 / 7,567; Mr. Gerber – 7,942 / 0; Mr. Grubisich – 7,949 / 0; Mr. Jum'ah – 11,710 / 1,973; Mr. Malone – 7,942 / 0; Mr. Martin – 11,710 / 0; and Ms. Reed – 11,710 / 11,925. Until the underlying shares (2) of common stock are distributed with respect to the RSUs or SEUs, non-employee Directors will not have voting or investment power over such shares. No shares of common stock with respect to RSUs will be distributed within 60 days of March 12, 2015, unless the Board in its discretion vests the RSUs upon a non-employee Director's separation of service from the Board. No shares of common stock with respect to SEUs will be distributed within 60 days of March 12, 2015, because such shares are distributed in January of the year following the year the non-employee Director has a separation of service from the Board.*

*(3) Shares held by Mr. Lesar's spouse. Mr. Lesar disclaims the beneficial ownership of these shares.*

*Includes 61,602 shares held by Martin Enterprises LLC. Mr. Martin is the sole manager, and Mr. Martin and (4) trusts (of which Mr. Martin is the sole trustee) formed solely for the benefit of his children, are the sole members of Martin Enterprises LLC.*

*(5) Shares held by Ms. Reed's spouse in an Individual Retirement Account.*

[Back to Contents](#)

## **PROPOSAL NO. 2 RATIFICATION OF THE SELECTION OF AUDITORS**

The Audit Committee is responsible for the appointment, compensation, retention, and oversight of the work of the principal independent public accountants retained to audit our financial statements. The Audit Committee and Board have approved the appointment of KPMG LLP as our principal independent public accountants to examine our financial statements for the year ending December 31, 2015, and a resolution will be presented at the Annual Meeting to ratify this appointment.

KPMG began serving as our principal independent public accountants for the year ended December 31, 2002. The current appointment was made based on a careful review by the Audit Committee of KPMG's qualification to continue to serve as independent public accountants for us, including the nature and extent of non-audit services performed by KPMG and other factors required to be considered when assessing KPMG's independence from Halliburton and its management. In order to assure continued auditor independence, the Audit Committee periodically considers whether there should be a rotation of the principal independent public accountants. Further, in conjunction with the mandated rotation of the firm's lead engagement partner, the Audit Committee and its Chairman are involved in the process for selecting KPMG's new lead engagement partner. The Audit Committee and Board believe that the continued retention of KPMG to serve as our principal independent public accountants is in the best interests of Halliburton and our stockholders.

Representatives of KPMG are expected to be present at the Annual Meeting, will have an opportunity to make a statement if they desire to do so, and are expected to be available to respond to appropriate questions from stockholders.

The affirmative vote of the holders of a majority of the shares of our common stock represented at the Annual Meeting and entitled to vote on the matter is needed to approve the proposal.

If the stockholders do not ratify the selection of KPMG, the Board will reconsider the selection of independent public accountants.

**The Board of Directors recommends a vote FOR ratification of the appointment of KPMG LLP as principal independent public accountants to examine our financial statements and books and records for the year ending December 31, 2015.**



[Back to Contents](#)

## AUDIT COMMITTEE REPORT

We operate under a written charter, a copy of which is available on Halliburton's website, *www.halliburton.com*. As required by the charter, we review and reassess the charter annually and recommend any changes to the Board for approval.

Halliburton's management is responsible for preparing Halliburton's financial statements and the principal independent public accountants are responsible for auditing those financial statements. The Audit Committee's role is to provide oversight of management in carrying out management's responsibility and to appoint, compensate, retain, and oversee the work of the principal independent public accountants. The Audit Committee is not providing any expert or special assurance as to Halliburton's financial statements or any professional certification as to the principal independent public accountants' work.

In fulfilling our oversight role for the year ended December 31, 2014, we:

- reviewed and discussed Halliburton's audited financial statements with management;
- discussed with KPMG LLP, Halliburton's principal independent public accountants, the matters required by Statement on Auditing Standards No. 61 relating to the conduct of the audit;
- received from KPMG the written disclosures and letter required by the Public Company Accounting Oversight Board regarding KPMG's independence; and
- discussed with KPMG its independence and reviewed other matters required to be considered under Securities and Exchange Commission rules regarding KPMG's independence.

Based on our:

- review of the audited financial statements;
- discussions with management;
- discussions with KPMG; and
- review of KPMG's written disclosures and letter,

we recommended to the Board that the audited financial statements be included in Halliburton's Annual Report on Form 10-K for the fiscal year ended December 31, 2014, for filing with the Securities and Exchange Commission.

**THE AUDIT COMMITTEE**

Alan M. Bennett

James R. Boyd

Nance K. Dicciani

Murry S. Gerber

José C. Grubisich

**HALLIBURTON** - *2015 Proxy Statement* 20

[Back to Contents](#)**FEES PAID TO KPMG LLP**

During 2014 and 2013, we incurred the following fees for services performed by KPMG LLP.

	2014 (In millions)	2013 (In millions)
Audit fees	\$ 11.8	\$ 11.8
Audit-related fees	0.5	0.4
Tax fees	3.7	2.6
All other fees	0.0	0.1
<b>TOTAL</b>	<b>\$ 16.0</b>	<b>\$ 14.9</b>

**Audit Fees**

Audit fees represent the aggregate fees for professional services rendered by KPMG for the integrated audit of our annual financial statements for the fiscal years ended December 31, 2014 and December 31, 2013. Audit fees also include the audits of many of our subsidiaries in regards to compliance with statutory requirements in foreign countries, reviews of our financial statements included in the Forms 10-Q we filed during fiscal years 2014 and 2013, and reviews of registration statements.

**Audit-Related Fees**

Audit-related fees primarily include professional services rendered by KPMG for audits of our employee benefit plans.

**Tax Fees**

The aggregate fees for tax services primarily consisted of international tax compliance and tax return services related to our expatriate employees. In 2014, tax compliance and preparation fees total \$2.4 and tax advisory fees total \$1.3 and in 2013, tax compliance and preparation fees total \$2.4 and tax advisory fees total \$0.2.

**All Other Fees**

All other fees comprise professional services rendered by KPMG related to nonrecurring miscellaneous services.

### **Fee Approval Policies and Procedures**

The Audit Committee has established a written policy that requires the approval by the Audit Committee of all services provided by KPMG as the principal independent public accountants that examine our financial statements and books and records and of all audit services provided by other independent public accountants. Prior to engaging KPMG for the annual audit, the Audit Committee reviews a Principal Independent Public Accountants Auditor Services Plan. KPMG then performs services throughout the year as approved by the Committee. KPMG reviews with the Committee, at least quarterly, a projection of KPMG's fees for the year. Periodically, the Audit Committee approves revisions to the plan if the Committee determines changes are warranted. Our Audit Committee also considered whether KPMG's provisions of tax services and all other fees as reported above are compatible with maintaining KPMG's independence as our principal independent public accountants. All of the fees described above for services provided by KPMG to us were approved in accordance with the policy.

[Back to Contents](#)

### **PROPOSAL NO. 3 ADVISORY APPROVAL OF EXECUTIVE COMPENSATION**

Pursuant to Section 14A of the Securities Exchange Act of 1934, our stockholders are being presented with the opportunity to vote to approve, on an advisory (nonbinding) basis, the compensation of our named executive officers as disclosed in this proxy statement. As approved by our stockholders at the 2011 Annual Meeting of Stockholders, consistent with our Board's recommendation, we are submitting this proposal for a non-binding vote on an annual basis.

As described in detail under Compensation Discussion and Analysis, our executive compensation programs are designed to attract, motivate, and retain our named executive officers, who are critical to our success. Under these programs, our named executive officers are rewarded for the achievement of specific annual, long-term and strategic goals, corporate goals, and the realization of increased stockholder value. Please read Compensation Discussion and Analysis for additional details about our executive compensation programs, including information about the fiscal year 2014 compensation of our named executive officers.

The Compensation Committee continually reviews the compensation programs for our named executive officers to ensure the programs achieve the desired goals of aligning our executive compensation structure with our stockholders' interests and current market practices. We believe our executive compensation program achieves the following objectives identified in Compensation Discussion and Analysis:

- Provide a clear and direct relationship between executive pay and our performance on both a short-term and long-term basis;
- Emphasize operating performance drivers;
- Link executive pay to measures that drive stockholder value;
- Support our business strategies; and
- Maximize the return on our human resource investment.

We are asking our stockholders to indicate their support for our named executive officers' compensation as described in this proxy statement and ask that our stockholders vote "FOR" the following resolution at the Annual Meeting:

**"RESOLVED**, that the compensation paid to Halliburton's named executive officers, as disclosed in this proxy statement pursuant to Item 402 of Regulation S-K, including the Compensation Discussion and Analysis, compensation tables and narrative discussion, is hereby approved."

The say-on-pay vote is advisory and, therefore, not binding on us, the Compensation Committee or our Board. Our Board and our Compensation Committee value the opinions of our stockholders. To the extent there is any significant vote against the named executive officers' compensation as disclosed in this proxy statement, the Compensation Committee will evaluate whether any actions are necessary to address those concerns.

**The Board of Directors recommends a vote FOR the approval, on an advisory basis, of the compensation of our named executive officers.**

[Back to Contents](#)**COMPENSATION DISCUSSION AND ANALYSIS****Introduction**

In this Compensation Discussion and Analysis, we review the objectives and elements of Halliburton's executive compensation program and discuss the 2014 compensation earned by our Named Executive Officers, or NEOs.

For 2014, our NEOs were:

<b>Name</b>	<b>Age</b>	<b>Occupation</b>	<b>Since</b>
David J. Lesar	61	Chairman of the Board and Chief Executive Officer	2000
Mark A. McCollum	56	Executive Vice President and Chief Financial Officer	2008
James S. Brown	60	President - Western Hemisphere	2008
Jeffrey A. Miller	51	President	2012
Joe D. Rainey	58	President - Eastern Hemisphere	2011

**2014 Highlights**

- We set revenue records as a total company, including both divisions and 12 out of 13 product service lines.
- We achieved record total company operating income, as well as in our Middle East/Asia region and four out of 13 product service lines.
- We returned 33% of our cash flow from operations to our stockholders, including \$800 million in share repurchases and over \$500 million in dividends.
- We executed a merger agreement to acquire Baker Hughes in a stock and cash transaction.
- We reached a settlement agreement relating to the Macondo well incident litigation for approximately \$1.1 billion.

During 2014, we grew our revenue to a new record of \$32.9 billion, which increased \$3.5 billion, or 12%, from 2013, primarily as a result of higher stimulation activity in the United States land market and increased activity in almost all of our product service lines in the Eastern Hemisphere. We set new revenue records this year in both divisions and 12 out of 13 product service lines. Our 2014 operating income of \$5.1 billion, which reflects an operating margin of 16%, was also a total company record and was driven by increased stimulation activity in the United States land market and strong growth in our Middle East/Asia region.

In November 2014, Halliburton and Baker Hughes entered into a merger agreement under which Halliburton will, subject to certain closing conditions, acquire all of the outstanding shares of Baker Hughes in a stock and cash transaction. Under the terms of the merger agreement, each share of Baker Hughes common stock outstanding will be converted into the right to receive 1.12 shares of Halliburton common stock plus \$19.00 in cash. The merger agreement has been unanimously approved by both companies' Boards of Directors, Halliburton's stockholders have approved the issuance of shares necessary to complete the acquisition of Baker Hughes, and Baker Hughes' stockholders have approved the merger. The closing of the transaction is subject to receipt of certain regulatory approvals and other conditions specified in the merger agreement. The closing of the transaction is expected to occur in the second half of 2015.

In September 2014, we reached an agreement, subject to court approval, to settle a substantial portion of the plaintiffs' claims asserted against us relating to the Macondo well incident, and agreed to pay an aggregate of \$1.1 billion. The multi-district litigation court also issued its ruling and found that Halliburton's conduct did not constitute gross negligence. We believe the settlement, along with the court's ruling, removes the vast majority of our legal exposure relating to the Macondo well incident.



[Back to Contents](#)

## **Results of 2014 Advisory Vote on Executive Compensation**

In accordance with our stockholders' preference, we submit our executive compensation program to an advisory vote annually. In 2014, our compensation program received the support of 93% of the total votes cast at our annual meeting. The Committee believes that our compensation program closely aligns the interests of company management with our stockholders' interests. The positive results of the advisory vote on executive compensation held at the 2014 annual meeting reinforces this. The Committee determined, therefore, that no changes to the compensation program were necessary.

## **Halliburton's Executive Compensation Objectives and Practices**

Our executive compensation program is designed to achieve the following objectives:

- Provide a clear and direct relationship between executive pay and our performance on both a short-term and long-term basis;
- Emphasize operating performance drivers;
- Link executive pay to measures that drive stockholder value;
- Support our business strategies; and
- Maximize the return on our human resource investment.

These objectives serve to assure our long-term success and are built on the following compensation principles:

- Executive compensation is managed from a total compensation perspective (*i.e.*, base salary, short- and long-term incentives, and retirement are reviewed altogether).
- Each component of the total compensation package is analyzed in order to determine that compensation opportunities for our NEOs are competitive and market-driven.

All elements of compensation are compared to the total compensation packages of a comparator peer group, which includes both competitors and companies representing general industry that reflect the markets in which we compete for business and people.

## **Summary of our Executive Compensation Practices**

<b>Compensation Practice</b>	<b>Pursued at Halliburton?</b>	<b>More information</b>
Pay for performance	YES. The majority of our NEO compensation is performance based.	<i>p28</i>
Alignment between long-term objectives and the creation of stockholder value	YES. Long-term incentives reward the achievement of value creation and performance goals while aligning management with stockholders' interests.	<i>p30</i>
Benchmarking against a relevant peer group	YES. The Compensation Committee reviews market data for peer group companies as well as general industry surveys.	<i>p26</i>
Independent, External Compensation Consultant	YES. Pearl Meyer & Partners provides executive compensation consulting services to the Committee.	<i>p26</i>
Stock Ownership Requirements	YES. Robust executive and director stock ownership requirements.	<i>p14 and 34</i>
Hedging and Pledging Policy	YES. Executives and directors are prohibited from hedging and pledging company stock, except for charitable donation purposes.	<i>p34</i>
Clawback Policy	YES. Our policy provides for the forfeiture, recovery, or reimbursement of incentive plan awards. We also will report to stockholders if any clawback occurred.	<i>p14 and 33</i>
Annual "Say on Pay" vote	YES. Support of 93% of the total votes cast at our 2014 annual meeting.	<i>p28</i>
Repricing of underwater stock options	NO. We prohibit repricing.	
Exchange underwater options	NO. We prohibit the buyout or exchange of underwater options.	
Liberal stock or option recycling	NO. We prohibit liberal stock and option recycling.	
Excise-tax gross-ups	NO. We do not provide for excise tax gross-ups.	<i>p43</i>
Guaranteed bonuses or uncapped incentives	NO. We do not provide guaranteed bonuses or uncapped incentives.	

[Back to Contents](#)

## **Elements of our Executive Compensation Program for Fiscal 2014**

Halliburton's executive compensation program is composed of base salary, short-term incentives, and long-term incentives, each of which is described below:

As illustrated below, the majority of our CEO's and NEO's total direct compensation opportunity is performance-based, at-risk, and long-term. The graphs depict the mix of total direct compensation set for our NEOs during 2014 and assumes plan performance levels are achieved.

### **Executive Compensation Procedures**

Our compensation procedures guide the actions taken by the Compensation Committee, or Committee. This ensures consistency from year to year and adherence to the responsibilities listed in the Committee's Charter. The Committee reviews and approves total compensation annually, which includes:

- Selecting and engaging an independent, external compensation consultant;
- Identifying the comparator peer group companies;
- Reviewing market data on benchmark positions; and
- Reviewing performance results against operating plans and our comparator peer group.

These procedures are used to make the final determination of total compensation for our NEOs.

Our internal stock nomination process under the Halliburton Company Stock and Incentive Plan, or the Stock and Incentive Plan, ensures



[Back to Contents](#)

that all award grant dates are prospective and not retroactive. For NEOs, the grant date is the day the Committee determines annual compensation actions, generally in December of each year. However, awards may be approved by the Committee throughout the year as they determine, such as for retention or performance purposes. Exercise prices are set at the closing stock price on the date of the approved grant.

**Role of the CEO in Setting Compensation**

Mr. Lesar does not provide recommendations concerning his own compensation, nor is he present when his compensation is discussed by the Committee. The Committee, with input from its independent, external compensation consultant, discusses the elements of his compensation in executive session and makes a recommendation to all of the non-employee members of the Board for discussion and final approval. At the Committee's request, a member of our management team may attend the executive session to answer questions from the Committee.

Mr. Lesar does, however, assist the Committee in setting executive compensation for the other NEOs. He and the independent, external compensation consultant to the Committee are guided by our compensation principles. They also consider current business conditions.

The following recommendations are made to the Committee for each NEO:

- Base salary adjustments, taking into account comparator peer group data, and the NEO's individual performance and role within the company.
- Performance measures, target goals, and award schedules for short-term incentive opportunities under our performance pay plan, with performance targets being set relative to the projected business cycle and business plan.
- Long-term incentive awards made under the Stock and Incentive Plan, including developing and providing specific recommendations to the Committee on the aggregate number and types of shares to be awarded annually, reviewing the rationale and guidelines for annual stock awards, and recommending changes to the grant types, when appropriate.
- Retirement awards, which are calculated by an external actuary, under the Halliburton Company Supplemental Executive Retirement Plan.

**Use of Independent Consultants and Advisors**

The Committee engaged Pearl Meyer & Partners, or PM&P, as its independent, external compensation consultant during 2014. PM&P provides only executive compensation consulting services to the Committee and does not provide any other services to us. The primary responsibilities of the independent, external compensation consultant were to:

- Provide the Committee with independent and objective market data;
- Conduct compensation analysis;
- Recommend potential changes to the comparator peer group;
- Recommend plan design changes;
- Advise on risks associated with compensation plans; and
- Review and advise on pay programs and pay levels.

These services are provided as requested by the Committee throughout the year.

### **Executive Compensation Benchmarking**

The companies comprising the comparator peer group are selected based on the following considerations:

- Market capitalization;
- Revenue and number of employees;
- Scope in terms of global impact and reach; and
- Industry affiliation.

Industry affiliation includes companies that are involved in the oil and natural gas and energy services industries. The comparator peer group is reviewed annually by the Committee to ensure relevance, with data provided to the Committee by the independent, external compensation consultant. The Committee targets between 20 and 25 companies for our comparator peer group.

[Back to Contents](#)

## **Comparator Peer Group**

The 2014 comparator peer group was composed of specific peer companies within the energy industry as well as selected companies representing general industry. This peer group was utilized to determine market levels of total compensation for the 2014 calendar year.

The comparator peer group used for our 2014 compensation review, changed slightly from the comparator peer group used for our 2013 compensation review. Over the past several years, our growth in revenue and market capitalization has exceeded that of the comparator peer group. To modestly adjust the size of the comparator peer group so that we are closer to the median in terms of revenue and market capitalization, the Committee added ConocoPhillips and removed Devon Energy Corporation and The Williams Companies, Inc.

Our 2014 comparator peer group consisted of the following companies:

- 3M Company
- Anadarko Petroleum Corporation
- Apache Corporation
- Baker Hughes Incorporated
- Caterpillar Inc.
- ConocoPhillips
- Deere and Company
- Emerson Electric Co.
- Fluor
- Hess Corporation
- Honeywell International Inc.
- Johnson Controls, Inc.
- Murphy Oil Corporation
- National Oilwell Varco, Inc.

- Occidental Petroleum Corporation
- Raytheon Co.
- Schlumberger Ltd.
- Transocean Ltd.
- Weatherford International, Ltd.

A slightly different comparator peer group is utilized for the 2014 cycle Performance Unit Program and is described in the *Long-term Incentives—Performance Units* section.

### **Analysis of Market Data**

The market data is size adjusted by revenue as necessary so that it is comparable with our trailing 12 month revenue. We size adjust the total compensation benchmarking data because of variances in market capitalization and revenue size among the companies comprising our comparator peer group. These adjusted values are used as the basis of comparison of compensation between our executives and those of the comparator peer group.

Total executive compensation for each NEO is structured to target market competitive pay levels in base salary and short- and long-term incentive opportunities. We also place an emphasis on variable pay at risk, which enables this compensation structure to position actual pay above or below the 50<sup>th</sup> percentile of our comparator peer group depending on performance.

A consistent pre-tax, present value methodology is used in assessing stock-based and other long-term incentive awards, including the Black-Scholes model used to value stock option grants.

The independent, external compensation consultant gathers and performs an analysis of market data for each NEO, comparing each of their individual components of compensation as well as total compensation to that of the comparator peer group. This competitive analysis consists of market data comparing each of the pay elements and total compensation at the 25<sup>th</sup>, 50<sup>th</sup>, and 75<sup>th</sup> percentiles of the comparator peer group to current compensation for each of the NEOs.

### **Integration of Compensation Components, Plan Design, and Decision-Making**



The Committee considers all elements of the executive compensation package for each NEO for the upcoming year in December. The Committee receives historical and prospective breakdowns of the total compensation components for each NEO as follows:

- Individual two-year total compensation history, which includes base salary, short- and long-term incentives, and other benefits and perquisites;
- Total company-awarded stock position, including vested and unvested awards;
- Detailed supplemental retirement award calculations; and
- The market analysis prepared by the independent, external compensation consultant.

[Back to Contents](#)

The Committee also reviews the results of the advisory vote on executive compensation held at the prior year's annual meeting and considers those results, along with many other factors, when evaluating our executive compensation program. Because 93% of our stockholders voting at our annual meeting approved the compensation paid to our executives as described in the 2014 proxy statement, including the Compensation Discussion and Analysis, compensation tables and narrative discussion, and because the Committee believes that our compensation program aligns our executive compensation structure with our stockholders' interests and current market practices, the Committee did not implement any changes to our executive compensation program as a result of the advisory vote on the program.

In making compensation decisions, each of the following compensation elements is reviewed separately and collectively:

- Base salary;
- Short-term (annual) incentives;
- Long-term incentives; and
- Supplemental executive retirement benefits.

Of these elements, all but base salary are variable and at risk of forfeiture. The Committee uses base salary as the primary reference point for determining the target value and actual value of each of the above elements of compensation, individually and in the aggregate, for each NEO. This assists the Committee in confirming that our compensation package for NEOs is appropriate and competitive to our comparator peer group.

The Committee then considers the following when making final compensation determinations:

- How compensation elements serve to appropriately motivate and reward each NEO;
- Competitively positioning each NEO's total compensation to retain their services;
- Individual NEO performance in reaching financial and operational objectives;
- Sustained levels of performance, future potential, time in position, and years of service; and
- Other factors including operational or functional goals as the Committee determines are appropriate.

These factors are considered on an unweighted basis in making final pay decisions and to ensure internal equity among positions having similar scope and responsibility.

After considering these factors, the Committee then sets the final compensation opportunity for each NEO so that their actual total compensation is consistent with our executive compensation philosophy of paying at the 50<sup>th</sup> percentile or higher for those years of superior performance and paying below the 50<sup>th</sup> percentile when performance does not meet competitive standards.

The procedures used to set compensation for each of the NEOs are the same. Variations do exist in the amounts of compensation among the NEOs as a result of each NEO's position and corresponding scope of responsibility, individual performance, length of time in the role, and differences in the competitive market pay levels for their positions.

Generally, in years when we achieve financial results substantially above or below expectations, actual compensation may fall outside the initial targets established by the Committee.

#### **Determination of CEO and NEO Target Total Compensation**

When determining target total compensation for Mr. Lesar, the Committee takes into consideration competitive market pay levels for the CEOs in the comparator peer group. They also consider Mr. Lesar's performance and accomplishments in the areas of business development and expansion, management succession, development and retention of management, ethical leadership, and the achievement of financial and operational objectives.

Each year, Mr. Lesar and the members of the Board agree upon a set of objectives addressing the following areas specified in our corporate governance guidelines:

- Leadership and vision;
- Integrity;
- Keeping the Board informed on matters affecting Halliburton and its operating units;
- Performance of the business;
- Development and implementation of initiatives to provide long-term economic benefit to Halliburton;
- Accomplishment of strategic objectives; and
- Development of management.

The Board determined that Mr. Lesar met these objectives in 2014 through the following achievements:

- Halliburton and its business units maintained superior relative performance against major competitors in terms of revenue, margins and Return on Capital Employed (performance of the business);

- Led the organization through the business cycle through effective stakeholder communication; maintained high visibility with employees, investors, and customers, particularly following the Baker Hughes acquisition announcement (leadership and vision);

- Continued international diversification realizing major tender wins throughout Halliburton's international portfolio and delivered industry leading double-digit revenue growth in the Eastern Hemisphere (accomplishment of strategic objectives and development and implementation of initiatives to provide long-term economic benefit to Halliburton);

- Maintained unwavering commitment to our Health, Safety and Environment program. For the second consecutive year, Dow Jones Sustainability Index recognized Halliburton as best in class as it relates to the environment (leadership and vision);

Back to Contents

Continued to expose the next generation of management to the Board, further enhanced management/employee

- succession process, strengthened diversity initiatives, and focused senior management on talent development initiatives (development of management);

- Maintained unwavering commitment to our Code of Business Conduct and continued to act in a role model capacity as it relates to ethical behavior (integrity);

- Communicated regularly with the members of the Board providing status reports and notification of issues of concern (keeping the Board informed); and

Executed an agreement to acquire Baker Hughes and reached a settlement agreement relating to the Macondo well

- incident litigation (accomplishment of strategic objectives and development and implementation of initiatives to provide long-term economic benefit to Halliburton).

Other NEO compensation is determined similar to that of the CEO by evaluating each NEO's performance and considering the market competitive pay levels of the comparator peer group for the NEO's position.

**Base Salary**

The Committee generally targets base salaries at the median of the comparator peer group; however, the Committee also considers the following factors when setting base salary:

- Level of responsibility;

- Experience in current role and equitable compensation relationships among internal peers;

- Performance and leadership; and

- External factors involving competitive positioning, general economic conditions, and marketplace compensation trends.

No specific formula is applied to determine the weight of each factor. Salary reviews are conducted annually to evaluate each executive; however, individual salaries are not necessarily adjusted each year.

The Committee approved the following base salaries effective January 1, 2014:

NEO	2013 Salary	2014 Salary	% Increase
-----	----------------	----------------	---------------

Mr. Lesar	\$1,630,000	\$1,630,000	0.0%
Mr. McCollum	\$732,000	\$760,000	3.8%
Mr. Brown	\$788,000	\$820,000	4.1%
Mr. Miller <sup>(1)</sup>	\$800,000	\$850,000	6.3%
Mr. Rainey	\$788,000	\$788,000	0.0%

(1) *In recognition of Mr. Miller's promotion to President, the Committee approved a new base salary of \$1,000,000 effective August 1, 2014, which represented a 17.6% increase over his January 1, 2014 salary.*

As a result of the changes shown above, our NEOs' salaries averaged at the market median as provided by our independent, external compensation consultant, PM&P.

### Short-term (Annual) Incentives

The Committee established the Annual Performance Pay Plan to:

- Reward executives and other key members of management for improving financial results that drive the creation of economic value for our stockholders; and
- Provide a means to connect individual cash compensation directly to our performance.

The Annual Performance Pay Plan provides for performance awards in accordance with the terms of the Stock and Incentive Plan.

The Annual Performance Pay Plan provides an incentive to our NEOs to achieve the business objective of generating more earnings than normally expected by the investors who have provided us with capital to grow our business. We measure achievement of this objective using Cash Value Added, or CVA.

CVA is a financial measurement that demonstrates the amount of economic value added to our business. The formula for calculating CVA is as follows:

Operating Income  
 + Interest Income  
 + Foreign Currency Gains (Losses)  
 + Other Nonoperating Income (Expense), Net  
 =Net Operating Profit  
 – Income Taxes  
 =**Net Operating Profit After Taxes**

Net Invested Capital  
x Weighted Average Cost of Capital  
**= Capital Charge**

**Cash Value Added (CVA) = Net Operating Profit After Taxes - Capital Charge**

**HALLIBURTON** - *2015 Proxy Statement* 29

Back to Contents

Net Operating Profit After Taxes equals the sum of operating income plus interest income plus foreign currency gains (losses) plus other nonoperating income (expense), reduced by our income taxes. When determining actual CVA performance, we apply our effective income tax rate.

Capital Charge equals total assets (excluding deferred income tax assets) less total liabilities (excluding debt and deferred income tax liabilities) multiplied by a weighted average cost of capital percentage.

Cash Value Added is computed monthly and accumulated throughout the calendar year. Adjustments in the calculation of the CVA payout may, at times, be approved by the Committee and can include the treatment of unusual items that may have impacted our actual results.

At the beginning of each plan year, the Committee approves an incentive award schedule that equates given levels of CVA performance with varying reward opportunities paid in cash. The performance goals range from “Threshold” to “Target” to “Maximum.” Threshold reflects the minimum CVA performance level which must be achieved in order for awards to be earned and Maximum reflects the maximum level that can be earned.

These goals are based on our annual operating plan, as reviewed and approved by our Board, and are set at levels believed to be sufficient to meet or exceed stockholder expectations of our performance, as well as expectations of the relative performance to our competitors. Given the cyclical nature of our business, our performance goals vary from year to year, which can similarly impact the difficulty in achieving these goals.

The Committee set the 2014 performance goals for our NEOs based on company-wide consolidated CVA results, specifying when these goals were set that the impact of any Macondo well incident related charges would be excluded from the CVA calculation. The Committee also approved the exclusion of \$17 million in costs related to the Baker Hughes acquisition. Threshold CVA was based on 90% of planned operating income, Target CVA on 100% of planned operating income, and Maximum CVA on 110% of planned operating income. The CVA targets for 2014 were \$281 million at Threshold, \$589 million at Target, and \$899 million at Maximum. Actual CVA for 2014 was \$997 million.

Individual incentive award opportunities are established as a percentage of base salary at the beginning of the plan year. The maximum amount a NEO can receive is limited to two times the target opportunity level. The level of achievement of annual CVA performance determines the dollar amount of incentive compensation payable to participants following completion of the plan year.

The Committee set incentive award opportunities under the plan as follows:



<b>NEO</b>	<b>Threshold Opportunity</b>	<b>Target Opportunity</b>	<b>Maximum Opportunity</b>
Mr. Lesar	60%	150%	300%
Mr. McCollum	36%	90%	180%
Mr. Brown	40%	100%	200%
Mr. Miller	40%	100%	200%
Mr. Rainey	40%	100%	200%

Threshold, Target, and Maximum opportunity dollar amounts can be found in the Grants of Plan-Based Awards in Fiscal 2014 table.

Over the past ten years, the Annual Performance Pay Plan achieved Maximum performance levels six times, achieved Target performance level two times, and fell short of the Threshold performance level two times.

### **Long-term Incentives**

The Committee established the Stock and Incentive Plan to achieve the following objectives:

- Reward consistent achievement of value creation and operating performance goals;
- Align management with stockholder interests; and
- Encourage long-term perspectives and commitment.

Our Stock and Incentive Plan provides for a variety of cash and stock-based awards, including nonqualified and incentive stock options, restricted stock and units, performance shares and units, stock appreciation rights, and stock value equivalents. Under the Stock and Incentive Plan, the Committee may, at its discretion, select from among these types of awards to establish individual long-term incentive awards.

Long-term incentives represent the largest component of total executive compensation opportunity. We believe this at-risk based compensation ties executive pay closely to stockholders' interests.

For 2014, we used a combination of long-term incentive vehicles, including time-based restricted stock or restricted stock units, performance units, and nonqualified stock options. Except where there is a distinction to make between restricted stock and restricted stock units, this Compensation Discussion and Analysis refers to both restricted stock and restricted stock units as "restricted stock". Operations-based incentives in the form of performance units targeted

40% of the long-term incentive value, another 40% was delivered through restricted stock, and the remaining 20% was delivered in stock options.

**HALLIBURTON** - *2015 Proxy Statement* 30

[Back to Contents](#)

Using a mix of incentives allows us to provide a diversified yet balanced long-term incentive program that effectively addresses volatility in our industry and in the stock market, in addition to maintaining an incentive to meet performance goals. Value to be earned by a NEO from stock options and restricted stock are directly tied to our stock price performance and, therefore, directly to stockholder value. Additionally, restricted stock provides a significant retention incentive while the Performance Unit Program motivates the NEOs to also focus on improving long-term returns on capital employed, measured on both absolute and relative bases.

In determining the size of long-term incentive awards, the Committee first considers market data for comparable positions and then may adjust the awards upwards or downwards based on the Committee's review of internal equity. This can result in positions of similar magnitude and pay receiving awards of varying size. The 2014 restricted stock and stock option awards for each NEO were based primarily on market data and were targeted slightly above market median.

### **Restricted Stock and Stock Options**

Our restricted stock and stock option awards are granted under the Stock and Incentive Plan and are listed in the Grants of Plan-Based Awards in Fiscal 2014 table.

Restricted stock grants are generally subject to a graded vesting schedule of 20% per year over five years. However, different vesting schedules may be utilized at the discretion of the Committee. Shares of restricted stock receive dividend or dividend equivalent payments.

Stock option awards vest over a three-year graded vesting period with 33-1/3% of the grant vesting each year. All options are priced at the closing stock price on the date the grant is approved by the Committee.

The stock and option award columns in the Summary Compensation Table reflect the aggregate grant date fair value of the restricted stock and option awards for each NEO.

### **Performance Units**

The Performance Unit Program provides NEOs and other selected executives with incentive opportunities based on our consolidated Return on Capital Employed, or ROCE, during three-year performance periods. This program reinforces our objectives for sustained long-term performance and value creation. It also reinforces strategic planning processes and balances short- and long-term decision making.

The program measures ROCE on both an absolute and a relative basis to the results of our comparator peer group companies used for the Performance Unit Program. The three-year performance period aligns this measurement with our and our comparator peer group's business cycles.

ROCE indicates the efficiency and profitability of our capital investments and is determined based on the ratio of earnings divided by average capital employed. The calculation is as follows:

$$\text{ROCE} = \frac{\text{Net income} + \text{after-tax interest expense}}{\text{Stockholders' equity (average of beginning and end of period)} + \text{Debt (average of beginning and end of period)}}$$

The comparator peer group used for the Performance Unit Program is comprised of oilfield equipment and service companies and domestic and international exploration and production companies. This comparator peer group is used for the Performance Unit Program because these companies represent the timing, cyclicity, and volatility of the oil and natural gas industry and provide an appropriate industry group to measure our relative performance against.

The comparator peer group for the 2014 cycle Performance Unit Program remains unchanged from the comparator peer group used for the 2013 cycle Performance Unit Program and consists of the following companies:

- Anadarko Petroleum Corporation
- Apache Corporation
- Baker Hughes Incorporated
- Cameron International Corporation
- Chesapeake Energy Corporation
- Devon Energy Corporation
- Hess Corporation
- Marathon Oil Corporation
- Murphy Oil Corporation
- Nabors Industries Ltd.
- National Oilwell Varco, Inc.

- Schlumberger Ltd.
- Transocean Ltd.
- Weatherford International, Ltd.
- The Williams Companies, Inc.

The program allows for rewards to be paid in cash, stock, or a combination of cash and stock. Over the past ten years, the program has achieved maximum performance levels six times and between maximum and target four times.

[Back to Contents](#)

## **2012 Cycle Performance Unit Program Payout for NEOs**

The 2012 cycle of the Performance Unit Program ended on December 31, 2014. Both the absolute and relative performance measures established at the beginning of the cycle were approved by the Committee. The 2012 cycle required a three-year average ROCE above 15% to achieve the Maximum level on an absolute basis, and a three-year average ROCE above the 75<sup>th</sup> percentile of the ROCE for our comparator peer group to achieve the Maximum level on a relative basis. Our three-year average ROCE for the 2012 cycle was 14.12%, which is above our comparator peer group at the 75<sup>th</sup> percentile. Because our results for this cycle were at the Target level on an absolute basis and in excess of the Maximum level on measures relative to our comparator peer group, the award paid at 150% of the target opportunity level. The NEOs received these payments in 2015 as set forth in the Non-Equity Incentive Plan Compensation column in the Summary Compensation Table and in the related narrative following the table.

## **2014 Cycle Performance Unit Program Opportunities for NEOs**

Individual incentive opportunities are established based on market references and the NEO's role within the organization. The Threshold, Target, and Maximum columns under the heading Estimated Future Payouts Under Non-Equity Incentive Plan Awards in the Grants of Plan-Based Awards in Fiscal 2014 table indicate the potential payout for each NEO under the Performance Unit Program for the 2014 cycle. The potential payouts are performance driven and completely at risk. Actual payout amounts, if any, will not be determined until the three year cycle closes on December 31, 2016.

## **Supplemental Executive Retirement Plan**

The objective of the Supplemental Executive Retirement Plan, or SERP, is to provide a competitive level of pay replacement upon retirement. The current pay replacement target is 75% of final base salary at age 65 with 25 years of service.

The material factors and guidelines considered in making an allocation include:

- Retirement benefits provided, both qualified and nonqualified;
- Current compensation;
- Length of service; and
- Years of service to normal retirement.

The calculation takes into account the following variables:

- Base salary;
- Years of service;
- Age;
- Employer portion of qualified plan savings;
- Age 65 value of any defined benefit plan; and
- Existing nonqualified plan balances and any other retirement plans.

Several assumptions are made annually and include a base salary increase percentage, qualified and nonqualified plan contributions and investment earnings, and an annuity rate. These factors are reviewed and approved annually by the Committee in advance of calculating any awards.

To determine the annual benefit, external actuaries calculate the total lump sum retirement benefit needed at age 65 from all company retirement sources to produce an annual retirement benefit of 75% of final base salary. Company retirement sources include any qualified benefit plans and contributions to nonqualified benefit plans. If the combination of these two sources does not yield a total retirement balance that will meet the 75% objective, then contributions may be made annually through the SERP to bring the total benefit up to the targeted level.

To illustrate, assume \$10 million is needed at age 65 to produce an annual retirement benefit equal to 75% of final base salary. The participant is projected to have \$3 million in his qualified benefit plans at retirement and \$4 million in his nonqualified retirement plans at retirement. Since the total of these two sources is \$7 million, a shortfall of \$3 million results. This is the amount needed to achieve the 75% pay replacement objective. Such shortfall may be offset through annual contributions to the SERP.

Participation in the SERP is limited to the direct reports of the CEO and other selected executives as recommended by the CEO and approved at the discretion of the Committee. However, participation one year does not guarantee future participation. In 2014, the Committee authorized retirement allocations under the SERP to all NEOs as listed in the 2014 Nonqualified Deferred Compensation table and as included in the All Other Compensation column in the Summary Compensation Table. The average annual amounts allocated over the history of participation are as follows: Mr. Lesar: \$316,572; Mr. McCollum: \$164,417; Mr. Brown: \$453,571; Mr. Miller: \$415,333; and Mr. Rainey: \$382,000.

Messrs. Lesar, McCollum, Brown, and Rainey are fully vested in their respective account balances. Balances earn interest at an annual rate of 5%. In 2009, the Committee approved a change to the vesting schedule of the SERP for awards made in 2009 and in future years. The new vesting schedule requires participants to be at least 55 years of age with 10 years of service with us or meet the Rule of 70 (age plus years of service equal 70 or more). This change was made to increase the retentive value of the plan. Mr. Miller does not meet the vesting requirements for any awards he has received.



[Back to Contents](#)

## **Other Executive Benefits and Policies**

### **Retirement and Savings Plan**

All NEOs participate in the Halliburton Retirement and Savings Plan, which is the defined contribution benefit plan available to all eligible U.S. employees. The matching contributions amounts we contributed on behalf of each NEO are included in the Supplemental Table: All Other Compensation.

### **Elective Deferral Plan**

All NEOs may participate in the Halliburton Elective Deferral Plan, which was established to provide highly compensated employees with an opportunity to defer earned base salary and incentive compensation in order to help meet retirement and other future income needs.

The Elective Deferral Plan is a nonqualified deferred compensation plan and participation is completely voluntary. Pre-tax deferrals of up to 75% of base salary and/or eligible incentive compensation are allowed each calendar year. Gains or losses are credited based upon the participant's election from among 12 benchmark investment choices with varying degrees of risk.

In 2014, Messrs. Brown and Rainey participated in this plan by deferring a percentage of their compensation. Mr. Lesar has an account balance from participation in prior years. Messrs. McCollum and Miller are not participants in the plan. Further details can be found in the 2014 Nonqualified Deferred Compensation table.

### **Benefit Restoration Plan**

The Halliburton Company Benefit Restoration Plan provides a vehicle to restore qualified plan benefits which are reduced as a result of limitations imposed under the Internal Revenue Code or due to participation in other plans we sponsor. It also serves to defer compensation that would otherwise be treated as excessive employee remuneration within the meaning of Section 162(m) of the Internal Revenue Code.

In 2014, all NEOs received awards under this plan in the amounts included in the Supplemental Table: All Other Compensation and the 2014 Nonqualified Deferred Compensation table.

## **Perquisites**

Country club memberships are limited and provided on an as-needed basis for business purposes only. Mr. Brown had a club membership in 2014.

We do not provide cars to our NEOs. However, for security purposes and to allow for the efficient use of Mr. Lesar's time, a company-leased car and part-time driver are provided for Mr. Lesar for the primary purpose of commuting to and from work.

A taxable benefit for executive financial planning is provided with the amount dependent on the NEO's level within the company. This benefit does not include tax return preparation. It is paid, only if used, on a reimbursable basis.

We also provided for security at the personal residences of Messrs. Lesar, McCollum, and Miller during 2014.

At the direction of the Board, Mr. Lesar, his spouse, and children use company aircraft for all travel. The only personal use of the company aircraft in 2014 for other NEOs is for spousal and dependent travel on select business trips.

Mr. Rainey is an expatriate under our long-term expatriate business practice and as such receives certain assignment allowances including a goods and services differential and host country housing and utilities.

A differential is commonly paid to expatriates in assignment locations where the cost of goods and services is greater than the cost for the same goods and services in the expatriate's home country. Differentials are determined by Mercer/ORC, a third-party consultant. As part of his expatriate assignment, Mr. Rainey also participates in our tax equalization program, which neutralizes the tax effect of the international assignment and approximates the tax obligation the expatriate would pay in his home country.

Specific amounts for the above mentioned perquisites are detailed for each NEO in the Supplemental Table: All Other Compensation immediately following the Summary Compensation Table.

## **Clawback Policy**

We have a clawback policy under which we will seek to recoup incentive compensation in all appropriate cases paid to, awarded to, or credited for the benefit of any of our executive officers, which include all the NEOs, if and to the extent that:

- The amount of incentive compensation was calculated on the achievement of financial results that were subsequently reduced due to a restatement of our financial results;
- The officer engaged in fraudulent conduct that caused the need for the restatement; and
- The amount of incentive compensation that would have been awarded or paid to the officer, had our financial results been properly reported, would have been lower than the amount actually paid or awarded.

Any such officer who receives incentive compensation based on the achievement of financial results that are subsequently the subject of a restatement will not be subject to recoupment unless the officer personally participates in the fraudulent conduct.

In addition, in January 2013, we amended the policy to provide that we will seek to recoup incentive compensation in all appropriate cases paid to, awarded to, or credited for the benefit of any of our executive officers, which include all the NEOs, and certain other senior officers if and to the extent that:

It is determined that, in connection with the performance of that officer's duties, he or she substantially participated in a breach of a fiduciary duty arising from a material violation of a U.S. federal or state law, or both (A) had direct supervisory responsibility over an employee who substantially participated in such a violation and (B) recklessly disregarded his or her own supervisory responsibilities; or

Back to Contents

the officer is named as a defendant in a law enforcement proceeding for having substantially participated in a breach of a fiduciary duty arising from a material violation of a U.S. federal or state law, the officer disagrees with the allegations relating to the proceeding and either (A) we initiate a review and determine that the alleged action is not indemnifiable or (B) the officer does not prevail at trial, enters into a plea arrangement, agrees to the entry of a final administrative or judicial order imposing sanctions, or otherwise admits to the violation in a legal proceeding.

Depending on the officer and the circumstances described in the immediately preceding paragraph, the disinterested members of the Board, the disinterested members of the Compensation Committee, the disinterested members of the Nominating and Corporate Governance Committee and/or the members of a management committee may be involved in the process of reviewing, considering and making determinations regarding the officer's alleged conduct, whether recoupment is appropriate or required, and the type and amount of incentive compensation to be recouped from the officer.

The policy also provides that, to the extent permitted by applicable law and not previously disclosed in a filing with the SEC, we will disclose in our proxy statement the circumstances of any recoupment arising under the policy or that there has not been any recoupment pursuant to the policy for the prior calendar year. There was no recoupment under the policy in 2014.

**Stock Ownership Requirements**

We have stock ownership requirements for our executive officers, which include all the NEOs, to further align their interests with our stockholders.

As a result, Mr. Lesar is required to own Halliburton common stock in an amount equal to or in excess of six times his annual base salary. Executive officers that report directly to Mr. Lesar are required to own an amount of Halliburton common stock equal to or in excess of three times their annual base salary, and all other executive officers are required to own an amount of Halliburton common stock equal to or in excess of two times their annual base salary. The Committee reviews their holdings, which include restricted shares and all other Halliburton common stock owned by the officer, at each December meeting. Each executive officer has five years to meet the requirements, measured from the later of September 12, 2011 or the date the officer first becomes subject to the ownership level for the applicable office.

After the five-year stock ownership period, as described above, executive officers who have not met their minimum ownership requirement must retain 100% of the net shares acquired upon stock option exercises and restricted stock vesting until they achieve their required ownership level. During this time period, any stock option exercises must be an exercise and hold.

As of December 31, 2014, all NEOs met the requirements.

### **Hedging and Pledging**

Our executive officers are prohibited from hedging activities related to Halliburton securities and the pledging of Halliburton securities, except that hedging activities in connection with or related to a bona fide charitable donation may be approved in advance at the sole discretion of the General Counsel.

### **Elements of Post-Termination Compensation and Benefits**

Termination events that trigger payments and benefits include normal or early retirement, change-in-control, cause, death, disability, and voluntary termination. Post-termination payments may include severance, accelerated vesting of restricted stock and stock options, maximum payments under cash-based short- and long-term incentive plans, nonqualified account balances, and health benefits, among others. The Post-Termination or Change-In Control Payment table in this proxy statement indicates the impact of various termination events on each element of compensation for the NEOs.

### **Impact of Regulatory Requirements on Compensation**

Section 162(m) of the Internal Revenue Code generally disallows a tax deduction to public companies for compensation paid to the CEO or any of the four other most highly compensated officers to the extent the compensation exceeds \$1 million in any year. Qualifying performance-based compensation is not subject to this limit if certain requirements are met.

Our policy is to utilize available tax deductions whenever appropriate and consistent with our compensation philosophy. When designing and implementing executive compensation programs, we consider all relevant factors, including tax deductibility of compensation. Accordingly, we have attempted to preserve the federal tax deductibility of compensation in excess of \$1 million a year to the extent doing so is consistent with our executive compensation objectives; however, we may from time to time pay compensation to our executives that may not be fully deductible.

Our Stock and Incentive Plan enables qualification of stock options, stock appreciation rights, and performance share awards as well as short- and long-term cash performance plans under Section 162(m).

To the extent required by Section 304 of the Sarbanes-Oxley Act of 2002, we will make retroactive adjustments to any cash or equity-based incentive compensation paid to the CEO and CFO where the payment was predicated upon the achievement of certain financial results that were subsequently the subject of restatement. When and where applicable, we will seek to recover any amount determined to have been inappropriately received by the CEO and CFO.

[Back to Contents](#)

## **COMPENSATION COMMITTEE REPORT**

We have reviewed and discussed the Compensation Discussion and Analysis with Company management and, based on such review and discussions, we recommended to the Board that the Compensation Discussion and Analysis be included in this proxy statement.

### **THE COMPENSATION COMMITTEE**

James R. Boyd

Milton Carroll

Murry S. Gerber

Robert A. Malone

Debra L. Reed

**HALLIBURTON** - *2015 Proxy Statement* 35

[Back to Contents](#)**SUMMARY COMPENSATION TABLE**

The following tables set forth information regarding the CEO, CFO, and our three other most highly compensated executive officers for the fiscal year ended December 31, 2014.

Name and Principal Position	Year	Salary (\$)	Bonus (\$)	Stock Awards (\$)	Option Awards (\$)	Non-Equity Incentive Plan Compensation (\$)	Change In Pension Value and NQDC Earnings (\$)	All Other Compensation (\$)	Total (\$)
<b>David J. Lesar</b> Chairman of the Board and Chief Executive Officer	2014	1,630,000	0	3,912,000	2,178,163	10,872,600	269,185	1,698,209	20,560,157
	2013	1,630,000	0	4,793,714	2,381,533	10,180,804	155,196	1,723,967	20,865,214
	2012	1,530,000	0	5,055,150	2,602,894	6,400,000	256,922	1,606,845	17,451,811
<b>Mark A. McCollum</b> Executive Vice President and Chief Financial Officer <sup>(1)</sup>	2014	760,000	0	4,531,750	567,472	2,769,000	43,427	491,054	9,162,703
	2013	732,000	0	1,230,066	611,358	2,679,877	22,366	470,366	5,746,033
	2012	661,000	0	1,068,650	549,486	2,021,600	35,746	405,052	4,741,534
<b>James S. Brown</b> President – Western Hemisphere	2014	820,000	0	1,304,000	727,685	3,482,000	79,934	986,492	7,400,111
	2013	788,000	0	1,579,344	785,785	2,743,666	57,834	992,489	6,947,118
	2012	633,000	0	1,376,850	708,974	2,274,400	81,363	725,457	5,800,044
<b>Jeffrey A. Miller</b> President	2014	912,500	0	5,639,516	1,407,673	2,114,375	14,428	892,290	10,980,782
	2013	800,000	0	1,933,684	961,939	1,565,460	3,406	676,731	5,941,220
	2012	425,000	0	3,997,150	1,109,917	692,437	1,126	378,556	6,604,186
<b>Joe D. Rainey</b> President – Eastern Hemisphere	2014	788,000	0	1,304,000	727,685	3,418,000	97,957	3,011,531	9,347,173
	2013	788,000	0	1,579,344	785,785	2,730,866	78,858	1,995,925	7,958,778
	2012	550,000	0	1,376,850	708,974	490,000	83,757	642,677	3,852,258

(1) Effective January 1, 2015, Mr. McCollum assumed the role of Executive Vice President and Chief Integration Officer serving as head of the Joint Integration Team that Halliburton and Baker Hughes are assembling in



*connection with the pending acquisition of Baker Hughes.*

**Salary.** The amounts represented in the Salary column are attributable to annual salary earned by each NEO. Information related to salary increases in 2014 is discussed in the Compensation Discussion and Analysis under Base Salary.

**Stock Awards.** The amounts in the Stock Awards column reflect the grant date fair value of the restricted stock awarded in 2014. Except where there is a distinction to make between the two types of awards, this proxy statement refers to both restricted stock and restricted stock units as “restricted stock.” ASC 718 requires the reporting of the aggregate grant date fair value of stock awards granted to the NEO during the fiscal year. We calculate the fair value of restricted stock awards by multiplying the number of restricted shares or units granted by the closing stock price as of the award’s grant date.

**Option Awards.** The amounts in the Option Awards column reflect the grant date fair value of the stock options awarded in 2014. ASC 718 requires the reporting of the aggregate grant date fair value of stock options granted to the NEO during the fiscal year. The fair value of stock options is estimated using the Black-Scholes option pricing model. For a discussion of the assumptions made in these valuations, refer to Note 12 to the Consolidated Financial Statements, Stock-based Compensation, in the Halliburton Company Form 10-K for the fiscal year ended December 31, 2014.

**Non-Equity Incentive Plan Compensation.** The amounts represented in the Non-Equity Incentive Plan Compensation column are for amounts earned in 2014 and paid in 2015 for the Halliburton Annual Performance Pay Plan and the 2012 cycle Performance Unit Program.

Information about these programs can be found in the Compensation Discussion and Analysis under Short-term (Annual) Incentives for the Halliburton Annual Performance Pay Plan and under Long-term Incentives—Performance Units for the Performance Unit Program.

The Threshold, Target, and Maximum amounts for the 2014 Halliburton Annual Performance Pay Plan and the 2014 cycle of the Performance Unit Program can be found in the Grants of Plan-Based Awards in Fiscal 2014 table under the Estimated Future Payouts Under Non-Equity Incentive Plan Awards.

The 2014 Halliburton Annual Performance Pay Plan amounts paid to each NEO are: \$4,890,000 for Mr. Lesar; \$1,368,000 for Mr. McCollum; \$1,640,000 for Mr. Brown; \$1,700,000 for Mr. Miller; and \$1,576,000 for Mr. Rainey.

The 2012 cycle Performance Unit Program amounts paid to each NEO are: \$5,982,600 for Mr. Lesar; \$1,401,000 for Mr. McCollum; \$1,842,000 for Mr. Brown; \$414,375 for Mr. Miller; and \$1,842,000 for Mr. Rainey.

The amounts paid to the NEOs for the 2012 cycle Performance Unit Program differ from what is shown in the Grants of Plan-Based Awards in Fiscal Year 2014 table under Estimated Future Payments Under Non-Equity Incentive Plan Awards. The Grants of Plan-Based Awards in Fiscal Year 2014 table indicates the potential award amounts for Threshold, Target and Maximum under the 2014 cycle Performance Unit Program, which will close on December 31, 2016. The Summary Compensation Table shows amounts paid for the 2012 cycle Performance Unit Program, which closed on December 31, 2014.

[Back to Contents](#)

***Change in Pension Value and NQDC Earnings.*** The amounts in the Change in Pension Value and NQDC Earnings column are attributable to the above-market earnings for various nonqualified plans. The methodology for determining what constitutes above-market earnings is the difference between the interest rate as stated in the applicable nonqualified plan document and the Internal Revenue Service Long-Term 120% AFR rate as of December 31, 2014. The 120% AFR rate used for determining above-market earnings in 2014 was 3.29%.

***Halliburton Company Supplemental Executive Retirement Plan Above-Market Earnings.*** The current interest rate for participant accounts in the Halliburton Company Supplemental Executive Retirement Plan is 5% as defined by the plan document. The above-market earnings for the plan equaled 1.71% (5% (plan interest) minus 3.29% (120% AFR rate)) for 2014. The amounts shown in this column differ from the amounts shown for the Halliburton Company Supplemental Executive Retirement Plan in the 2014 Nonqualified Deferred Compensation table under the Aggregate Earnings in Last Fiscal Year column because that table includes all earnings and losses, and the Summary Compensation Table shows above-market earnings only.

NEOs earned above-market earnings for their balances associated with the Halliburton Company Supplemental Executive Retirement Plan as follows: \$150,434 for Mr. Lesar; \$34,720 for Mr. McCollum; \$47,514 for Mr. Brown; \$11,558 for Mr. Miller; and \$24,694 for Mr. Rainey.

***Halliburton Company Benefit Restoration Plan Above-Market Earnings.*** In accordance with the plan document, participants earn monthly interest at the 120% AFR rate, provided the interest rate shall be no less than 6% per annum or greater than 10% per annum. Because the 120% AFR rate was below the 6% minimum interest threshold, the above-market earnings associated with this plan were 2.71% (6% (plan interest earned in 2014) minus 3.29% (120% AFR rate)) for 2014. The amounts shown in this column differ from the amounts shown for the Halliburton Company Benefit Restoration Plan in the 2014 Nonqualified Deferred Compensation table under the Aggregate Earnings in Last Fiscal Year column because that table includes all earnings and losses, and the Summary Compensation Table shows above-market earnings only.

NEOs earned above-market earnings for their balances associated with the Halliburton Company Benefit Restoration Plan as follows: \$77,182 for Mr. Lesar; \$8,707 for Mr. McCollum; \$7,715 for Mr. Brown; \$2,870 for Mr. Miller; and \$4,759 for Mr. Rainey.

***Halliburton Company Elective Deferral Plan Above-Market Earnings.*** The average earnings for the balances associated with the Halliburton Company Elective Deferral Plan were 6.5% for 2014. The above-market earnings associated with this plan equaled 3.21% (6.5% minus 3.29% (120% AFR rate)) for 2014. The amounts shown in this column differ from the amounts shown for the Halliburton Company Elective Deferral Plan in the 2014 Nonqualified Deferred Compensation table under the Aggregate Earnings in Last Fiscal Year column because that table includes all earnings and losses and the Summary Compensation Table shows above-market earnings only.

*Messrs. Lesar, Brown, and Rainey* earned above-market earnings for balances associated with the Halliburton Company Elective Deferral Plan as follows: \$41,569 for Mr. Lesar; \$24,705 for Mr. Brown; and \$68,504 for Mr. Rainey. Messrs. McCollum and Miller are not participants in and do not have any prior balances in the Halliburton Company Elective Deferral Plan.

**All Other Compensation.** Detailed information for amounts included in the All Other Compensation column can be found in the Supplemental Table: All Other Compensation below.

### Supplemental Table: All Other Compensation

The following table details the components of the All Other Compensation column of the Summary Compensation Table for 2014.

Name	Employee Physical (\$)	Financial Planning (\$)	Halliburton Foundation (\$)	Halliburton Giving Choices (\$)	HALPAC (\$)	Restricted Stock Dividends (\$)	HRSP Employer Match (\$)	HRSP Basic Contribution (\$)	Benefit Restoration Plan (\$)
David J. Lesar	1,718	15,000	112,500	0	5,000	226,452	13,000	10,400	123,300
Mark A. McCollum	0	0	45,000	1,000	5,000	69,798	12,667	10,400	45,000
James S. Brown	0	8,165	0	780	4,935	190,829	12,542	10,400	50,400
Jeffrey A. Miller	2,245	9,080	38,250	800	5,000	147,427	13,000	10,400	58,725
Joe D. Rainey	0	14,300	0	700	5,000	0	10,408	10,400	47,520

*Employee Physical.* The Employee Physical Program provides NEOs the opportunity to have an annual physical examination to encourage an ongoing habit of health and wellness. Participation in the program is strictly voluntary. The amount shown is based on the value of services the NEO received less any medical insurance covered benefits.

*Financial Planning.* This program allows NEOs to receive financial planning services by accredited financial planners. Tax planning is not covered under this program. The amount is based on the services the NEO received in 2014. If they do not utilize the program, the amount is forfeited.

*Halliburton Foundation.* The Halliburton Foundation allows NEOs and other employees to donate to approved universities, medical hospitals, and primary schools of their choice. In 2014, the Halliburton Foundation matched

donations up to \$20,000 on a 2.25 for 1 basis. Mr. Lesar

**HALLIBURTON** - *2015 Proxy Statement* 37

[Back to Contents](#)

participates in the Halliburton Foundation's matching program for Directors, which allowed his 2014 contributions up to \$50,000 to qualified organizations to be matched on a 2.25 for 1 basis.

*Halliburton Giving Choices.* The Halliburton Giving Choices Program allows NEOs and other employees to donate to approved not-for-profit charities of their choice. We match donations by contributing ten cents for every dollar contributed by employees up to a maximum of \$1,000. The amounts shown represent the match amounts the program donated to charities on behalf of the NEOs in 2014.

*Halliburton Political Action Committee.* The Halliburton Political Action Committee, or HALPAC, allows NEOs and other eligible employees to donate to political candidates and participate in the political process. We match the NEO's donation to HALPAC dollar-for-dollar to a 501(c)(3) status nonprofit organization of the contributor's choice. The amounts shown represent the match amounts the program donated to charities on behalf of the NEOs in 2014.

*Restricted Stock Dividends.* This is the amount of dividends paid on restricted stock held by NEOs in 2014. Restricted stock units do not receive dividend payments.

*Halliburton Retirement and Savings Plan Employer Match.* The amount shown is the contribution we made on behalf of each NEO to the Halliburton Company Retirement and Savings Plan, our defined contribution plan. We match employee contributions up to 5% of each employee's eligible base salary, up to the 401(a)(17) compensation limit of \$260,000 in 2014.

*Halliburton Retirement and Savings Plan Basic Contribution.* This is the contribution we made on behalf of each NEO to the Halliburton Company Retirement and Savings Plan. If actively employed on December 31, 2014, each employee receives a contribution equal to 4% of their eligible base pay, up to the 401(a)(17) compensation limit of \$260,000 in 2014.

*Halliburton Company Benefit Restoration Plan.* This is the award earned under the Halliburton Company Benefit Restoration Plan in 2014. The plan provides a vehicle to restore qualified plan benefits which are reduced as a result of limitations on contributions imposed under the Internal Revenue Code or due to participation in other plans we sponsor and to defer compensation that would otherwise be treated as excessive employee remuneration within the meaning of Section 162(m) of the Internal Revenue Code. Associated interest, awards, and beginning and ending balances for the Halliburton Company Benefit Restoration Plan are included in the 2014 Nonqualified Deferred Compensation table. Above-market interest earned on these awards and associated balances are shown in the Summary Compensation Table under the Change in Pension Value and NQDC Earnings column.

*Halliburton Company Supplemental Executive Retirement Plan.* These are awards approved under the Halliburton Company Supplemental Executive Retirement Plan as discussed in the Supplemental Executive Retirement Plan section of the Compensation Discussion and Analysis. Awards are approved by our Compensation Committee annually. The SERP provides a competitive level of pay replacement for key executives upon retirement. Associated interest, awards, and beginning and ending balances for the SERP are included in the 2014 Nonqualified Deferred Compensation table.

*All Other.*

• *Country Club Membership Dues.* Club memberships are approved for business purposes only. During 2014, we paid club membership dues for Mr. Brown. The amount incurred was \$28,801.

*Aircraft Usage.* Mr. Lesar, his spouse, and children use our aircraft for all travel for security reasons as directed by the Board. The only personal use of company aircraft in 2014 for other NEOs was for spousal and dependent travel on select business trips. For 2014, the incremental cost to us for this personal use of our aircraft was as follows: \$389,790 for Mr. Lesar; \$14,716 for Mr. McCollum; and \$18,480 for Mr. Miller. For total compensation purposes in 2014, we valued the incremental cost of the personal use of aircraft using a method that takes into account: landing, parking, hanger, flight planning services, and dead-head costs; crew travel expenses; supplies and catering; aircraft fuel and oil expenses per hour of flight; any customs, foreign permit, and similar fees; and passenger ground transportation. For tax purposes, we impute income to the NEO for the value of the spousal and dependent travel on select business trips and reimburse the NEO for the tax impact of the imputed income. For 2014, tax reimbursements for imputed income associated with this spousal and dependent travel were as follows: \$93,868, for Mr. Lesar; \$12,437 for Mr. McCollum; \$20,640 for Mr. Brown; \$9,859 for Mr. Miller; and \$4,496 for Mr. Rainey.

• *Home Security.* We provide security for residences based on risk assessments which consider the NEO's position. In 2014, home security costs were as follows: \$108,717 for Mr. Lesar; \$1,036 for Mr. McCollum; and \$1,024 for Mr. Miller.

• *Car/Driver.* A car and driver have been assigned to Mr. Lesar so that he can work while in transit to allow him to meet customer and our needs. In 2014, the cost to us was \$17,914.

• *Other Compensation for Mr. Lesar.* In 2014, Mr. Lesar received \$1,878 in imputed income for tax equalization.

• *Other Compensation for Mr. Rainey.* In 2014, Mr. Rainey received \$45,900 for cost of living adjustment; \$78,800 mobility premium; \$2,122,977 for tax equalization; \$500 for tax preparation fees; \$122,461 for imputed housing allowance; and \$13,069 for auto imputed allowance. All compensation amounts are associated with his expatriate assignment and other expatriates on comparable assignments receive similar types of adjustments.

[Back to Contents](#)**GRANTS OF PLAN-BASED AWARDS IN FISCAL 2014**

The following table represents amounts associated with the 2014 cycle Performance Unit Program, the 2014 Annual Performance Pay Plan, and restricted stock and stock option awards granted in 2014 to our NEOs.

Name	Grant Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards			All Other Stock Awards: Number of Shares of Stock or Units (#)	All Other Option Awards: Number of Securities Underlying Options (#)	Exercise or Base Price of Option Awards (\$/Share)	Grant Date Fair Value of Stock and Option Awards (\$)
		Threshold (\$)	Target (\$)	Maximum (\$)				
David J. Lesar		2,544,727	5,089,453	10,178,906 <sup>(1)</sup>				
		978,000	2,445,000	4,890,000 <sup>(2)</sup>				
	12/03/2014				96,000			3,912,000
	12/03/2014					178,100	40.75	2,178,163
Mark A. McCollum		654,710	1,309,419	2,618,838 <sup>(1)</sup>				
		273,600	684,000	1,368,000 <sup>(2)</sup>				
	7/15/2014				50,000 <sup>(3)</sup>			3,513,000
	12/03/2014				25,000			1,018,750
	12/03/2014					46,400	40.75	567,472
James S. Brown		841,411	1,682,822	3,365,644 <sup>(1)</sup>				
		328,000	820,000	1,640,000 <sup>(2)</sup>				
	12/03/2014				32,000			1,304,000
	12/03/2014					59,500	40.75	727,685
Jeffrey A. Miller		1,027,000	2,054,000	4,108,000 <sup>(1)</sup>				
		340,000	850,000	1,700,000 <sup>(2)</sup>				
	8/01/2014				45,300 <sup>(4)</sup>			3,113,016
	12/03/2014				62,000			2,526,500
	12/03/2014					115,100	40.75	1,407,673
Joe D. Rainey		841,411	1,682,822	3,365,644 <sup>(1)</sup>				
		315,200	788,000	1,576,000 <sup>(2)</sup>				
	12/03/2014				32,000			1,304,000
	12/03/2014					59,500	40.75	727,685

(1) Opportunity levels under the 2014 cycle of the Performance Unit Program.

(2) Opportunity levels under the 2014 Halliburton Annual Performance Pay Plan.

(3) Mr. McCollum received a special restricted stock award as a retention incentive. The shares vest 100% after five years.



(4) *Mr. Miller received a special restricted stock award in recognition of his promotion to President. The shares vest 100% after five years.*

As indicated by footnote (1), the opportunities for each NEO under the 2014 cycle Performance Unit Program if the Threshold, Target or Maximum levels are achieved are reflected under Estimated Future Payouts Under Non-Equity Incentive Plan Awards. This program measures our consolidated Return on Capital Employed as compared to our internal goals as well as relative to our comparator peer group utilized for the program during three-year cycles. The potential payouts are performance driven and completely at risk. For more information on the 2014 cycle Performance Unit Program, refer to Long-term Incentives in the Compensation Discussion and Analysis.

As indicated by footnote (2), the opportunities for each NEO under the 2014 Halliburton Annual Performance Pay Plan are also reflected under Estimated Future Payouts Under Non-Equity Incentive Plan Awards. This plan measures company Cash Value Added as compared to our pre-established goals during a one-year period. The potential payouts are performance driven and completely at risk. For more information on the 2014 Halliburton Annual Performance Pay Program, refer to Short-term (Annual) Incentives in the Compensation Discussion and Analysis.

All restricted stock and nonqualified stock option awards are granted under the Stock and Incentive Plan. The awards listed under All Other Stock Awards: Number of Shares of Stock or Units and under All Other Option Awards: Number of Securities Underlying Options were awarded to each NEO on the date indicated by the Compensation Committee. The annual restricted stock grants awarded to the NEOs in 2014 are subject to a graded vesting schedule of 20% per year over five years. This vesting schedule serves to motivate our NEOs to remain employed with us. All restricted shares are priced at fair market value on the date of grant. Quarterly dividends are paid on the restricted shares at the same time and rate payable on our common stock, which was \$0.15 per share during the first three quarters of 2014 and \$0.18 per share in the fourth quarter of 2014. Quarterly dividends are not paid on restricted stock units. The shares may not be sold, transferred or used as collateral until fully vested. The shares remain subject to forfeiture during the restricted period in the event of a NEO's termination of employment or an unapproved early retirement.

Nonqualified stock options granted in 2014 vest over a three-year graded vesting period with 33 1/3% of the grants vesting each year. All options are priced at the fair market value on the date of grant using the Black-Scholes options pricing model. There are no voting or dividend rights unless the NEO exercises the options and acquires the shares.

The Estimated Future Payouts Under Equity Incentive Plan Awards columns have been omitted because awards under the Performance Unit Program and Halliburton Annual Performance Pay Plan are expected to be paid in cash and are disclosed under Estimated Future Payouts Under Non-Equity Incentive Plan Awards.

[Back to Contents](#)**OUTSTANDING EQUITY AWARDS AT FISCAL YEAR END 2014**

The following table represents outstanding stock option and restricted stock awards for our NEOs as of December 31, 2014.

Name	Grant Date	Option Awards				Stock Awards	
		Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price (\$)	Option Expiration Date	Number of Shares or Units of Stock Not Vested (#)	Market Value of Shares or Units of Stock Not Vested (\$)
David J. Lesar <sup>(1)</sup>	12/06/2006					16,875	663,694
	12/01/2010	108,000	0	39.19	12/01/2020	19,260	757,496
	12/06/2011	141,900	0	35.57	12/06/2021	44,000	1,730,520
	12/05/2012	139,267	69,633	33.50	12/05/2022	90,540	3,560,938
	12/04/2013	45,967	91,933	50.62	12/04/2023	75,760	2,979,641
	12/03/2014	0	178,100	40.75	12/03/2024	96,000	3,775,680
<b>TOTAL</b>		<b>435,134</b>	<b>339,666</b>			<b>342,435</b>	<b>13,467,969</b>
Mark A. McCollum <sup>(2)</sup>	12/06/2006					2,600	102,258
	12/05/2007	12,000	0	36.90	12/05/2017		
	2/13/2008	11,500	0	35.67	2/13/2018		
	12/01/2010	28,100	0	39.19	12/01/2020	5,000	196,650
	12/06/2011	33,200	0	35.57	12/06/2021	10,320	405,886
	12/05/2012	29,401	14,699	33.50	12/05/2022	19,140	752,776
	12/04/2013	11,801	23,599	50.62	12/04/2023	19,440	764,575
	7/15/2014					50,000	1,966,500
12/03/2014	0	46,400	40.75	12/3/2024	25,000	983,250	
<b>TOTAL</b>		<b>126,002</b>	<b>84,698</b>			<b>131,500</b>	<b>5,171,895</b>
James S. Brown <sup>(3)</sup>	1/03/2007					3,900	153,387
	12/02/2008					77,821	3,060,692
	12/01/2010	26,100	0	39.19	12/01/2020	4,660	183,278
	5/18/2011					106,474	4,187,622
	12/06/2011	43,700	0	35.57	12/06/2021	13,560	533,315
	12/05/2012	37,934	18,966	33.50	12/05/2022	24,660	969,878
	12/04/2013	15,167	30,333	50.62	12/04/2023	24,960	981,677
	12/03/2014	0	59,500	40.75	12/03/2024	32,000	1,258,560
<b>TOTAL</b>		<b>122,901</b>	<b>108,799</b>			<b>288,035</b>	<b>11,328,409</b>
Jeffrey A. Miller <sup>(4)</sup>	1/03/2007					900	35,397
	1/01/2011					2,500	98,325
	9/27/2011					50,000	1,966,500

Edgar Filing: HALLIBURTON CO - Form DEF 14A

	1/03/2012	0	3,833	34.15	1/03/2022	5,400	212,382
	9/19/2012					50,000	1,966,500
	12/05/2012	25,733	25,733	33.50	12/05/2022	33,480	1,316,768
	12/04/2013	18,567	37,133	50.62	12/04/2023	30,560	1,201,925
	8/01/2014					45,300	1,781,649
	12/03/2014	0	115,100	40.75	12/03/2024	62,000	2,438,460
<b>TOTAL</b>		<b>44,300</b>	<b>181,799</b>			<b>280,140</b>	<b>11,017,906</b>
Joe D. Rainey <sup>(5)</sup>	1/03/2007					900	35,397
	12/01/2010					4,620	181,705
	12/06/2011	14,566	0	35.57	12/06/2021	63,560	2,499,815
	12/05/2012	18,967	18,966	33.50	12/05/2022	24,660	969,878
	12/04/2013	15,167	30,333	50.62	12/04/2023	24,960	981,677
	12/03/2014	0	59,500	40.75	12/03/2024	32,000	1,258,560
<b>TOTAL</b>		<b>48,700</b>	<b>108,799</b>			<b>150,700</b>	<b>5,927,031</b>

HALLIBURTON - 2015 Proxy Statement 40

Back to Contents

*Mr. Lesar's stock option awards vest annually in equal amounts over three-year vesting schedules. His restricted (1) stock awards vest in equal amounts over each grant's five-year vesting schedule, except for the December 6, 2006 award, which vests in equal amounts over ten years.*

*Mr. McCollum's stock option awards vest annually in equal amounts over three-year vesting schedules. His (2) restricted stock awards vest in equal amounts over each grant's five-year vesting schedule, except for the December 6, 2006 award, which vests in equal amounts over ten years, and the July 15, 2014 award, which vests 100% on July 15, 2019.*

*Mr. Brown's stock option awards vest annually in equal amounts over three-year vesting schedules. His restricted (3) stock awards vest in equal amounts over each grant's five-year vesting schedule, except for the January 3, 2007 award, which vests in equal amounts over ten years, the December 2, 2008 restricted stock award, which began vesting on the sixth anniversary of the award, and vests 20% annually through year ten, and the May 18, 2011 restricted stock award, which vests 100% on May 30, 2016.*

*Mr. Miller's stock option awards vest annually in equal amounts over three-year vesting schedules. His restricted (4) stock awards vest in equal amounts over each grant's five-year vesting schedule, except for the January 3, 2007 award, which vests in equal amounts over ten years, and the September 27, 2011, September 19, 2012, and August 1, 2014 awards, which each vest 100% five years from the date of grant.*

*Mr. Rainey's stock option awards vest annually in equal amounts over three-year vesting schedules. His restricted (5) stock awards vest in equal amounts over each grant's five-year vesting schedule, except for the December 6, 2011 restricted stock award of 50,000 shares, which vest 100% on December 6, 2016.*

The nonqualified stock option awards listed under Option Awards include outstanding awards, exercisable and unexercisable, as of December 31, 2014.

The restricted stock awards under Stock Awards are the number of shares not vested as of December 31, 2014. The market value shown was determined by multiplying the number of unvested restricted shares at year end by the closing price of our common stock on the NYSE of \$39.33 on December 31, 2014.

The Equity Incentive Plan Awards columns are omitted as we do not utilize this type of award at this time.

The narratives under the Summary Compensation Table and the Grants of Plan-Based Awards in Fiscal 2014 table contain additional information on stock option and restricted stock awards.

**2014 OPTION EXERCISES AND STOCK VESTED**

The following table represents stock options exercised and restricted shares that vested during fiscal year 2014 for our NEOs.

Name	Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise (\$)	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting (\$)
David J. Lesar	517,799	16,037,013	119,818	2,771,372
Mark A. McCollum	40,600	1,624,731	29,340	1,196,032
James S. Brown	75,000	2,725,532	54,115	2,209,225
Jeffrey A. Miller	52,501	1,362,282	28,620	1,257,795
Joe D. Rainey	0	0	38,480	1,604,927

The value realized for vested restricted stock awards was determined by multiplying the fair market value of the shares (closing price of our common stock on the NYSE on the vesting date) by the number of shares that vested. Shares vested on various dates throughout the year; therefore, the value listed represents the aggregate value of all shares that vested for each NEO in 2014.

[Back to Contents](#)**2014 NONQUALIFIED DEFERRED COMPENSATION**

The 2014 Nonqualified Deferred Compensation table reflects balances in our nonqualified plans as of January 1, 2014, contributions made by the NEO and us during 2014, any earnings (the net of the gains and losses on funds, as applicable), and the ending balance as of December 31, 2014. The plans are described in the Compensation Discussion and Analysis or the narratives to the Summary Compensation Table, and brief summaries are provided below.

Name	Plan	01/01/14 Balance (\$)	Executive Contributions In Last Fiscal Year (\$)	Registrant Contributions In Last Fiscal Year (\$)	Aggregate Earnings In Last Fiscal Year (\$)	Aggregate Withdrawals Distribution (\$)	Aggregate Balance At Last Fiscal Year End (\$)
David J. Lesar	SERP	8,804,647	0	576,000	440,107	0	9,820,754
	Benefit Restoration	2,849,817	0	123,300	170,950	0	3,144,067
	Elective Deferral	1,134,924	0	0	78,881	0	1,213,805
	<b>TOTAL</b>	<b>12,789,388</b>	<b>0</b>	<b>699,300</b>	<b>689,938</b>	<b>0</b>	<b>14,178,626</b>
Mark A. McCollum	SERP	2,033,052	0	274,000	101,607	0	2,408,659
	Benefit Restoration	321,606	0	45,000	19,288	0	385,894
	<b>TOTAL</b>	<b>2,354,658</b>	<b>0</b>	<b>319,000</b>	<b>120,895</b>	<b>0</b>	<b>2,794,553</b>
James S. Brown	SERP	2,784,354	0	659,000	139,119	0	3,582,473
	Benefit Restoration	285,032	0	50,400	17,093	0	352,525
	Elective Deferral	876,393	41,000	0	54,388	41,869	929,912
	<b>TOTAL</b>	<b>3,945,779</b>	<b>41,000</b>	<b>709,400</b>	<b>210,600</b>	<b>41,869</b>	<b>4,864,910</b>
Jeffrey A. Miller	SERP	679,667	0	578,000	33,919	0	1,291,586
	Benefit Restoration	106,223	0	58,725	6,365	0	171,313
	<b>TOTAL</b>	<b>785,890</b>	<b>0</b>	<b>636,725</b>	<b>40,284</b>	<b>0</b>	<b>1,462,899</b>
Joe D. Rainey	SERP	1,449,075	0	535,000	72,369	0	2,056,444
	Benefit Restoration	175,881	0	47,520	10,545	0	233,946
	Elective Deferral	2,226,126	78,800	0	138,743	75,849	2,367,820
	<b>TOTAL</b>	<b>3,851,082</b>	<b>78,800</b>	<b>582,520</b>	<b>221,657</b>	<b>75,849</b>	<b>4,658,210</b>

**Halliburton Company Supplemental Executive Retirement Plan.** The SERP provides a competitive level of pay replacement for key executives upon retirement. The current pay replacement target is 75% of final base salary at age 65 with 25 years of service. Several assumptions are made annually and include a base salary increase percentage, qualified and nonqualified plan contributions, qualified and nonqualified plan investment earnings, and an annuity rate.

Allocations under the SERP can be made once a year and are approved by the Compensation Committee at their discretion. The material factors and guidelines considered in making an allocation include:

- Retirement benefits provided from our other programs, both qualified and nonqualified;
- Current compensation;
- Length of service; and
- Years of service to normal retirement.

Messrs. Lesar, McCollum, Brown, and Rainey are fully vested in their respective account balances. Balances earn interest at an annual rate of 5%. In 2009, the Compensation Committee approved a change to the vesting schedule of the SERP for awards made in 2009 and in future years. The new vesting schedule requires participants to be at least 55 years of age with 10 years of service with us or meet the Rule of 70 (age plus years of service equal 70 or more). This change was made to increase the retentive value of the plan. Mr. Miller does not meet the vesting requirements for any awards he has received.

SERP amounts shown in the Registrant Contributions in Last Fiscal Year column are included in the Summary Compensation Table under All Other Compensation.

***Halliburton Company Benefit Restoration Plan.*** The Halliburton Company Benefit Restoration Plan provides a vehicle to restore qualified plan benefits which are reduced as a result of limitations on contributions imposed under the Internal Revenue Code or due to participation in other plans we sponsor and to defer compensation that would otherwise be treated as excessive remuneration within the meaning of Section 162(m) of the Internal Revenue Code. Awards are made annually to those who meet these criteria and earned interest at an annual rate as defined by the plan document. Awards and corresponding interest balances are 100% vested and distributed upon separation.

In accordance with the plan document, participants earn monthly interest at the 120% AFR rate, provided the interest rate shall be no less than 6% per annum or greater than 10% per annum. Because the 120% AFR rate was below the 6% minimum interest threshold, plan participants earned interest at an annual rate of 6% in 2014.

Benefit Restoration amounts shown in the Registrant Contributions in Last Fiscal Year column are included in the Summary Compensation Table under All Other Compensation.

***Halliburton Company Elective Deferral Plan.*** The Halliburton Company Elective Deferral Plan allows participants to save for retirement

**HALLIBURTON - 2015 Proxy Statement** 42



[Back to Contents](#)

utilizing eligible pre-tax base and/or eligible incentive compensation. Participants may elect to defer up to 75% of their annual base salary and up to 75% of their incentive compensation into the plan. Deferral elections must be made on an annual basis, including the type and timing of distribution. Plan earnings are based on the NEO's choice of up to 12 investment options with varying degrees of risk, including the risk of loss. Investment options may be changed by the NEO daily. The amounts shown in the Aggregate Earnings in Last Fiscal Year column reflect the aggregate of all gains and losses on outstanding balances in 2014. Only the above-market interest is shown in the Summary Compensation Table, under Change in Pension Value and NQDC Earnings.

## **EMPLOYMENT CONTRACTS AND CHANGE-IN-CONTROL ARRANGEMENTS**

### **Employment Contracts**

Messrs. Lesar, McCollum, Brown, Miller, and Rainey have employment agreements with us. Under the terms of Mr. Lesar's agreement, a termination for cause is a termination for (i) gross negligence or willful misconduct in the performance of his duties and responsibilities, or (ii) a conviction of a felony. In the event we terminate Mr. Lesar for any reason other than termination for cause, we are obligated to pay Mr. Lesar a severance payment equal to (i) the value of any restricted shares that are forfeited because of termination, and (ii) five times his annual base salary.

Under the terms of the agreements with Messrs. McCollum, Brown, Miller, and Rainey, the reasons for termination of employment (other than death) are defined as follows:

- Retirement means either (a) retirement at or after normal retirement at age 65 (either voluntarily or under our retirement policy), or (b) voluntary termination of employment in accordance with our early retirement policy for other than a Good Reason. "Good Reason" means a termination of employment by employee because of (a) our material breach of any material provision of the employment agreement, or (b) a material reduction in employee's
- (i) rank or responsibility with us, provided that (i) employee provides written notice to us of the circumstances employee claims constitute "Good Reason" within 90 calendar days of the first to occur of such circumstances, (ii) such breach remains uncorrected for 30 calendar days following written notice, and (iii) employee's termination occurs within 180 calendar days after the date that the circumstances employee claims constitute Good Reason first occurred.
  - (ii) Permanent disability means the employee's physical or mental incapacity to perform his or her usual duties with such condition likely to remain continuously and permanently as reasonably determined by the Compensation Committee in good faith.
  - (iii) Voluntary termination means a termination of employment in the sole discretion and at the election of the employee for other than Good Reason.
  - (iv) Termination for cause means our termination of employee's employment for Cause. "Cause" means any of the following: (a) employee's gross negligence or willful misconduct in the performance of the duties and services

required of the employee; (b) employee's final conviction of a felony; (c) a material violation of our Code of Business Conduct; or (d) employee's material breach of any material provision of his or her employment agreement which remains uncorrected for 30 days following our written notice of such breach to employee.

If the employment of Messrs. McCollum or Brown terminates for any reason other than death, retirement (either at age 65 or voluntarily prior to age 65), permanent disability, voluntary termination or termination for cause, the executive is entitled to each of the following:

- At the Committee's election, either the retention of all restricted shares following termination or a payment equal to the value of any restricted shares that are forfeited because of termination;
- A payment equal to two years' base salary;
- Any unpaid amounts earned under the Annual Performance Pay Plan in prior years; and
- Any amount payable for the year under the Annual Performance Pay Plan in which his employment is terminated, determined as if he had remained employed for the full year.

If the employment of Messrs. Miller or Rainey terminates for any reason other than death, retirement (either at age 65 or voluntarily prior to age 65), permanent disability, voluntary termination or termination for cause, the executive is entitled to each of the following:

- A payment equal to two years' base salary; and
- A single lump sum cash payment equal to the value of any restricted shares that are forfeited because of termination. The payout is contingent upon compliance with a non-compete agreement and subject to vesting restrictions.

### **Change-In-Control Arrangements**

We do not maintain individual change-in-control agreements or provide for excise tax gross-ups on any payments associated with a change-in-control. Some of our compensation plans, however, contain change-in-control provisions, which could result in payment of specific benefits.

Under the Stock and Incentive Plan, in the event of a change-in-control, the following will occur automatically:

- any outstanding options and stock appreciation rights shall become immediately vested and fully exercisable;
- any restrictions on restricted stock awards shall immediately lapse;

all performance measures upon which an outstanding performance award is contingent are deemed achieved and the

- holder receives a payment equal to the maximum amount of the award he or she would have been entitled to receive, pro-rated to the effective date; and

**HALLIBURTON** - *2015 Proxy Statement* 43

Back to Contents

any outstanding cash awards, including stock value equivalent awards, immediately vest and are paid based on the vested value of the award.

Under the Annual Performance Pay Plan:

in the event of a change-in-control during a plan year, a participant will be entitled to an immediate cash payment equal to the maximum dollar amount he or she would have been entitled to for the year, prorated through the date of the change-in-control; and

in the event of a change-in-control after the end of a plan year but before the payment date, a participant will be entitled to an immediate cash payment equal to the incentive earned for the plan year.

Under the Performance Unit Program:

in the event of a change-in-control during a performance cycle, a participant will be entitled to an immediate cash payment equal to the maximum amount he or she would have been entitled to receive for the performance cycle, pro-rated to the date of the change-in-control; and

in the event of a change-in-control after the end of a performance cycle but before the payment date, a participant will be entitled to an immediate cash payment equal to the incentive earned for that performance cycle.

Under the Employee Stock Purchase Plan, in the event of a change-in-control, unless the successor corporation assumes or substitutes new stock purchase rights:

the purchase date for the outstanding stock purchase rights will be accelerated to a date fixed by the Compensation Committee prior to the effective date of the change-in-control; and

upon such effective date, any unexercised stock purchase rights will expire and we will refund to each participant the amount of his or her payroll deductions made for purposes of the Employee Stock Purchase Plan that have not yet been used to purchase stock.

**POST-TERMINATION OR CHANGE-IN-CONTROL PAYMENTS**

The following tables and narratives represent the impact of certain termination events or a change-in-control on each element of compensation for NEOs as of December 31, 2014.

Edgar Filing: HALLIBURTON CO - Form DEF 14A

Name	Payments	Termination Event					Term w/o Cause (\$)	Change in Control (\$)
		Resignation (\$)	Early Retirement w/o Approval (\$)	Early Retirement w/Approval (\$)	Normal Retirement (\$)	Term for Cause (\$)		
David J. Lesar	Severance	0	0	0	0	0	8,150,000	0
	Annual Perf. Pay Plan	0	0	4,890,000	4,890,000	0	4,890,000	4,890,000
	Restricted Stock	0	0	13,467,967	13,467,967	0	13,467,967	13,467,967
	Stock Options	1,360,591	1,360,591	1,766,551	1,766,551	1,360,591	1,766,551	1,766,551
	Performance Units	0	0	9,792,449	9,792,449	0	0	9,792,449
	Nonqualified Plans	14,178,626	14,178,626	14,178,626	14,178,626	14,178,626	14,178,626	0
	Health Benefits	0	12,000	12,000	0	0	0	0
	<b>TOTAL</b>	<b>15,539,217</b>	<b>15,551,217</b>	<b>44,107,593</b>	<b>44,095,593</b>	<b>15,539,217</b>	<b>42,453,144</b>	<b>29,916,967</b>
Mark A. McCollum	Severance	0	0	0	0	0	1,520,000	0
	Annual Perf. Pay Plan	0	0	1,368,000	1,368,000	0	1,368,000	1,368,000
	Restricted Stock	0	0	5,171,895	5,171,895	0	5,171,895	5,171,895
	Stock Options	367,490	367,490	453,185	453,185	367,490	453,185	453,185
	Performance Units	0	0	2,225,682	2,225,682	0	0	2,225,682
	Nonqualified Plans	2,794,553	2,794,553	2,794,553	2,794,553	2,794,553	2,794,553	0
	Health Benefits	0	0	0	0	0	0	0
	<b>TOTAL</b>	<b>3,162,043</b>	<b>3,162,043</b>	<b>12,013,315</b>	<b>12,013,315</b>	<b>3,162,043</b>	<b>11,307,633</b>	<b>9,218,762</b>
James S. Brown	Severance	0	0	0	0	0	1,640,000	0
	Annual Perf. Pay Plan	0	0	1,640,000	1,640,000	0	1,640,000	1,640,000
	Restricted Stock	0	0	11,328,409	11,328,409	0	11,328,409	11,328,409
	Stock Options	389,121	389,121	499,693	499,693	389,121	499,693	499,693
	Performance Units	0	0	2,865,652	2,865,652	0	0	2,865,652
	Nonqualified Plans	4,864,910	4,864,910	4,864,910	4,864,910	4,864,910	4,864,910	0
	Health Benefits	0	12,000	12,000	0	0	0	0
	<b>TOTAL</b>	<b>5,254,031</b>	<b>5,266,031</b>	<b>21,210,664</b>	<b>21,198,664</b>	<b>5,254,031</b>	<b>19,973,012</b>	<b>16,333,754</b>

**HALLIBURTON** - *2015 Proxy Statement* 44

[Back to Contents](#)

Name	Payments	Termination Event					Term w/o Cause (\$)	Change in Control (\$)
		Resignation (\$)	Approval w/o (\$)	Early Retirement w/Approval (\$)	Normal Retirement (\$)	Term for Cause (\$)		
Jeffrey A. Miller	Severance	0	0	0	0	0	2,000,000	0
	Annual Perf. Pay Plan	0	0	1,700,000	1,700,000	0	1,700,000	1,700,000
	Restricted Stock	0	0	11,017,906	11,017,906	0	11,017,906	11,017,906
	Stock Options	150,023	150,023	319,902	319,902	150,023	319,902	319,902
	Performance Units	0	0	2,552,649	2,552,649	0	0	2,552,649
	Nonqualified Plans	171,313	171,313	171,313	171,313	171,313	171,313	0
	Health Benefits	0	0	0	0	0	0	0
	TOTAL	321,336	321,336	15,761,770	15,761,770	321,336	15,209,121	15,590,457
Joe D. Rainey	Severance	0	0	0	0	0	1,576,000	0
	Annual Perf. Pay Plan	0	0	1,576,000	1,576,000	0	1,576,000	1,576,000
	Restricted Stock	0	0	5,927,032	5,927,032	0	5,927,032	5,927,032
	Stock Options	165,346	165,346	275,918	275,918	165,346	275,918	275,918
	Performance Units	0	0	1,993,766	1,993,766	0	0	1,993,766
	Nonqualified Plans	4,658,210	4,658,210	4,658,210	4,658,210	4,658,210	4,658,210	0
	Health Benefits	0	12,000	12,000	0	0	0	0
	TOTAL	4,823,556	4,835,556	14,442,926	14,430,926	4,823,556	14,013,160	9,772,716

**Resignation.** Resignation is defined as leaving employment with us voluntarily, without having attained early or normal retirement status (see the applicable sections below for information on what constitutes these statuses). Upon resignation, the following actions will occur for a NEO's various elements of compensation:

- *Severance Pay.* No severance would be paid to the NEO.
- *Annual Performance Pay Plan.* No payment would be made to the NEO under the Performance Pay Plan.

-

**Restricted Stock.** Any restricted stock holdings would be forfeited upon the date of resignation. Restricted stock holdings information can be found in the Outstanding Equity Awards at Fiscal Year End 2014 table.

**Stock Options.** The NEO must exercise outstanding, vested options within 30-90 days after the NEO's resignation or the options will be forfeited as per the terms of the stock option agreements. Any unvested stock options would be forfeited. Stock option information can be found in the Outstanding Equity Awards at Fiscal Year End 2014 table.

• **Performance Units.** The NEO would not be eligible to receive payments under the Performance Unit Program.

**Nonqualified Plans.** Under all circumstances, the NEO is entitled to any vested benefits under the applicable nonqualified plans as shown in the 2014 Nonqualified Deferred Compensation table. Payments from the Halliburton Company Supplemental Executive Retirement Plan and Halliburton Company Benefit Restoration Plan are paid out of an irrevocable grantor trust held at State Street Bank and Trust Company. The principal and income of the trust are treated as our assets and income for federal income tax purposes and are subject to the claims of our general creditors to the extent provided in the plan. The Halliburton Elective Deferral Plan is unfunded and we make payments from our general assets. Payments from these plans may be paid in a lump sum or in annual installments for a maximum ten year period.

• **Health Benefits.** The NEO would not be eligible for the \$12,000 credit to assist in paying for retiree medical costs because the NEO resigned from employment with us.

**Early Retirement.** A NEO becomes eligible for early retirement by either attaining age 50 or by attaining 70 points via a combination of age plus years of service. Eligibility for early retirement does not guarantee retention of stock awards (lapse of forfeiture restrictions on restricted stock and ability to exercise outstanding options for the remainder of the stated term). Early retirement eligibility is a condition that must be met before the Compensation Committee will consider retention of stock awards upon separation from employment. For example, if a NEO is eligible for early retirement but is leaving us to go to work for a competitor, then the NEO's stock awards would not be considered for retention.

**Early Retirement (Without Approval).** The following actions will occur for a NEO's various elements of compensation:

• **Severance Pay.** No severance would be paid to the NEO.

• **Annual Performance Pay Plan.** No payment would be made to the NEO under the Performance Pay Plan.

• **Restricted Stock.** Any restricted stock holdings would be forfeited upon the date of early retirement. Restricted stock holdings information can be found in the Outstanding Equity Awards at Fiscal Year End 2014 table.

• **Stock Options.** The NEO must exercise outstanding, vested options within 30-90 days after the NEO's early retirement or the options will be forfeited as per the terms of the stock option agreements. Any unvested stock options would be forfeited. Stock option information can be found in the Outstanding Equity Awards at Fiscal Year End 2014 table.

• **Performance Units.** The NEO would not be eligible to receive payments under the Performance Unit Program.

•



*Nonqualified Plans.* Under all circumstances, the NEO is entitled to any vested benefits under the applicable nonqualified plans as shown in the 2014 Nonqualified Deferred Compensation table. Refer to the *Resignation* section for more information on Nonqualified Plans.

**HALLIBURTON** - 2015 Proxy Statement 45

Back to Contents

*Health Benefits.* A NEO that was age 40 or older as of December 31, 2004 and qualifies for early retirement under our health and welfare plans, which requires that the NEO has attained age 55 with ten years of service or that the NEO's age and years of service equals 70 points with a minimum of ten years of service, is eligible for a \$12,000 credit toward retiree medical costs incurred prior to age 65. The credit is only applicable if the NEO chooses Halliburton retiree medical coverage. This benefit is amortized as a monthly credit applied to the cost of retiree medical coverage based on the number of months from the time of early retirement to age 65. For example, if a NEO is 10 years or 120 months away from age 65 at the time of the NEO's early retirement, the NEO will receive a monthly credit in the amount of \$100 (\$12,000/120 months). Should the NEO choose not to elect coverage with Halliburton after the NEO's separation, the NEO would not receive any cash in lieu of the credit.

**Early Retirement (With Approval).** The following actions will occur for a NEO's various elements of compensation:

- *Severance Pay.* No severance would be paid to the NEO.

- *Annual Performance Pay Plan.* For Messrs. McCollum and Brown, participation is continued for the full year of separation and at the existing participation level at separation; however, any payments are made at the time all other participants receive payment and only if our performance yields a payment under the terms of the plan. These payments usually occur no later than the end of February in the year following the plan year. If Messrs. Lesar, Miller, or Rainey were to retire prior to the end of the plan year for any reason other than death or disability, he would forfeit any payment due under the plan, unless the Compensation Committee determines that the payment should be prorated for the partial plan year.

- *Restricted Stock.* Any stock holdings restrictions would lapse upon the date of early retirement. Restricted stock holdings information can be found in the Outstanding Equity Awards at Fiscal Year End 2014 table.

- *Stock Options.* The NEO will be granted retention of the NEO's option awards. The unvested awards will continue to vest per the vesting schedule outlined in the NEO stock option agreements and any vested options will not expire until 10 years from the grant award date. Stock option information can be found in the Outstanding Equity Awards at Fiscal Year End 2014 table.

- *Performance Units.* The NEO will participate on a pro-rated basis for any Performance Unit Program cycles that have not been completed at the time of the NEO's early retirement. These payments, if earned, are paid out and the NEO would receive payments at the same time as other participants, which is usually no later than March of the year following the close of the cycle.

- *Nonqualified Plans.* Under all circumstances, the NEO is entitled to any vested benefits under the applicable nonqualified plans as shown in the 2014 Nonqualified Deferred Compensation table. Refer to the *Resignation* section for more information on Nonqualified Plans.

- *Health Benefits.* A NEO that was age 40 or older as of December 31, 2004 and qualifies for early retirement under our health and welfare plans is eligible for a \$12,000 credit toward retiree medical costs. Refer to the *Early Retirement (Without Approval)* section for more information on Health Benefits.

**Normal Retirement.** A NEO would be eligible for normal retirement should the NEO cease employment at age 65 or later. The following actions will occur for a NEO's various elements of compensation:

- *Severance Pay.* No severance would be paid to the NEO.

*Annual Performance Pay Plan.* For Messrs. McCollum and Brown, participation is continued for the full year of separation and at the existing participation level at separation; however, any payments are made at the time all other participants receive payment and only if our performance yields a payment under the terms of the plan. These payments usually occur no later than the end of February in the year following the plan year. If Messrs. Lesar, Miller, or Rainey were to retire prior to the end of the plan year for any reason other than death or disability, he would forfeit any payment due under the plan, unless the Compensation Committee determines that the payment should be prorated for the partial plan year.

- *Restricted Stock.* Any restricted stock holdings would vest upon the date of normal retirement. Restricted stock holdings information can be found in the Outstanding Equity Awards at Fiscal Year End 2014 table.

- *Stock Options.* The NEO will be granted retention of the NEO's outstanding option awards. The unvested awards will continue to vest per the vesting schedule outlined in the NEO's stock option agreements and any vested options will not expire until 10 years from the grant award date. Stock option information can be found in the Outstanding Equity Awards at Fiscal Year End 2014 table.

- *Performance Units.* The NEO will participate on a pro-rated basis for any Performance Unit Program cycles that have not been completed at the time of the NEO's normal retirement. These payments, if earned, are paid out and the NEO would receive payments at the same time as other participants, which is usually no later than March following the close of the cycle.

- *Nonqualified Plans.* Under all circumstances, the NEO is entitled to any vested benefits under the applicable nonqualified plans as shown in the 2014 Nonqualified Deferred Compensation table. Refer to the *Resignation* section for more information on Nonqualified Plans.

- *Health Benefits.* The NEO would not be eligible for the \$12,000 credit as the NEO would be age 65 or older at the time of normal retirement.

***Termination (For Cause).*** Should we terminate the NEO for cause, such as violating a Code of Business Conduct policy, the following actions will occur for the NEO's various elements of compensation:

- *Severance Pay.* No severance would be paid to the NEO.

- *Annual Performance Pay Plan.* No payment would be paid to the NEO under the Performance Pay Plan.

- *Restricted Stock.* Any restricted stock holdings would be forfeited upon the date of termination. Restricted stock holdings information can be found in the Outstanding Equity Awards at Fiscal Year End 2014 table.

- *Stock Options.* The NEO must exercise outstanding, vested options within 30-90 days after the NEO's termination or the options will be forfeited as per the terms of the stock option agreements. Any unvested stock options would be forfeited. Stock option information can be found in the Outstanding Equity Awards at Fiscal Year End 2014 table.

- *Performance Units.* No payment would be paid to the NEO under the Performance Unit Program.



Back to Contents

*Nonqualified Plans.* Under all circumstances, the NEO is entitled to any vested benefits under the applicable •nonqualified plans as shown in the 2014 Nonqualified Deferred Compensation table. Refer to the *Resignation* section for more information on Nonqualified Plans.

•*Health Benefits.* The NEO would not be eligible for the \$12,000 credit to assist in paying for retiree medical costs.

**Termination (Without Cause).** Should a NEO with an employment agreement be terminated without cause by us, such as termination at our convenience, then the provisions of the NEO's employment agreement related to severance payments, annual performance pay plan (if applicable), and lapsing of stock restrictions would apply. In the case of Messrs. McCollum, Brown, Miller, and Rainey, payments for these items are conditioned on a release agreement being executed by the NEO. The following actions will occur for the NEO's various elements of compensation:

*Severance Pay.* Severance is paid according to terms of the applicable employment agreement. Mr. Lesar's severance •multiple is five times base salary at the time of termination. Messrs. McCollum, Brown, Miller, and Rainey would receive severance in the amount of two times base salary at the time of termination. Severance paid under the terms of the employment agreement fully satisfies any and all other claims for severance under our plans or policies.

*Annual Performance Pay Plan.* For Messrs. McCollum and Brown, participation is continued for the full year of separation and at the existing participation level at separation; however, any payments are made at the time all other participants receive payment and only if our performance yields a payment under the terms of the plan. These •payments usually occur no later than the end of February in the year following the plan year. If Messrs. Lesar, Miller, or Rainey were terminated prior to the end of the plan year for any reason other than death or disability, he would forfeit any payment due under the plan, unless the Compensation Committee determines that a payment should be prorated for the partial plan year.

*Restricted Stock.* For all NEOs, except Messrs. Miller and Rainey, restricted shares under the Stock and Incentive Plan are automatically vested or are forfeited and an equivalent value is paid to the NEO at the Compensation Committee's discretion. Messrs. Miller and Rainey entered into non-compete agreements with us and agreed not to •work for a competitor of ours for two years following separation. If they comply with the terms of their agreements, they will receive a single lump sum payment equal to the value of any unvested restricted shares that were forfeited because of termination. Restricted stock holdings information can be found in the Outstanding Equity Awards at Fiscal Year End 2014 table.

*Stock Options.* The NEO will be granted retention of the NEO's outstanding option awards. The unvested awards will •continue to vest per the vesting schedule outlined in the NEO's stock option agreements and any vested options will not expire until 10 years from the grant award date. Stock option information can be found in the Outstanding Equity Awards at Fiscal Year End 2014 table.

•*Performance Units.* No payment would be paid to the NEO under the Performance Unit Program.

*Nonqualified Plans.* Under all circumstances, the NEO is entitled to any vested benefits under the applicable •nonqualified plans as shown in the 2014 Nonqualified Deferred Compensation table. Refer to the *Resignation* section for more information on Nonqualified Plans.

•*Health Benefits.* The NEO would not be eligible for the \$12,000 credit to assist in paying for retiree medical costs.

***Change-in-Control.*** Should a change-in-control take place, the following actions will occur for a NEO's various elements of compensation:

*Annual Performance Pay Plan.* In the event of a change-in-control during a plan year, a plan participant is entitled to an immediate cash payment equal to the maximum dollar amount he or she would have been entitled to for the year, pro-rated through the date of the change-in-control. In the event of a change-in-control after the end of a plan year but before the payment date, the plan participant is entitled to an immediate cash payment equal to the incentive earned for the plan year. The employment contracts of Messrs. McCollum and Brown each provide that he is entitled to any amount payable for the year under the Annual Performance Pay Plan in which his employment is terminated, determined as if he had remained employed for the full year. Such amounts shall be paid at the time that similarly situated employees are paid.

*Restricted Stock.* Restricted shares under the Stock and Incentive Plan are automatically vested. Restricted stock holdings information can be found in the Outstanding Equity Awards at Fiscal Year End 2014 table.

*Stock Options.* Any outstanding options shall become immediately vested and fully exercisable by the NEO. Stock option information can be found in the Outstanding Equity Awards at Fiscal Year End 2014 table.

*Performance Units.* In the event of a change-in-control during a performance cycle, NEOs will be entitled to an immediate cash payment equal to the maximum amount he or she would have been entitled to receive for the performance cycle, pro-rated to the date of the change-in-control. In the event of a change-in-control after the end of a performance cycle but before the payment date, NEOs will be entitled to an immediate cash payment equal to the incentive earned for that performance cycle.

[Back to Contents](#)**EQUITY COMPENSATION PLAN INFORMATION**

The following table provides certain information, as of December 31, 2014, with respect to our equity compensation plans.

<b>Plan Category</b>	<b>Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights</b> <b>(a)</b>	<b>Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights</b> <b>(b)</b>	<b>Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a))</b> <b>(c)</b>
Equity compensation plans approved by security holders	17,366,386	\$ 43.74	24,058,965
Equity compensation plans not approved by security holders	—	—	—
<b>TOTAL</b>	<b>17,366,386</b>	<b>\$ 43.74</b>	<b>24,058,965</b>

**HALLIBURTON - 2015 Proxy Statement** 48

[Back to Contents](#)

**PROPOSAL NO. 4 PROPOSAL TO AMEND AND RESTATE THE HALLIBURTON COMPANY STOCK AND INCENTIVE PLAN**

**Introduction**

The Halliburton Company Stock and Incentive Plan (the “Stock and Incentive Plan”) was last approved by stockholders at the 2013 annual meeting and reserved 41,944,177 shares for issuance thereunder.

The proposed amendment and restatement of the Stock and Incentive Plan replenishes the pool of shares of Halliburton common stock available for issuance under the Stock and Incentive Plan by adding 15,000,000 shares and makes certain other changes to the Stock and Incentive Plan as further described below.

Our Board is requesting that stockholders approve the amendment and restatement of the Stock and Incentive Plan, which amendment and restatement was approved by the Board on February 24, 2015 subject to stockholder approval.

**General**

In order to give Halliburton the flexibility to responsibly address its future equity compensation needs, Halliburton is requesting that stockholders approve the amendment and restatement of the Stock and Incentive Plan which adds 15,000,000 shares to the plan.

The 15,000,000 shares to be added to the Stock and Incentive Plan pursuant to the amendment and restatement of the plan, in combination with the remaining authorized shares and shares added back into the plan from forfeitures, are expected to satisfy Halliburton’s equity compensation needs through the 2017 annual meeting of stockholders. This being the case, if the amendment and restatement are approved, Halliburton anticipates seeking the authorization of additional shares under the Stock and Incentive Plan in 2017.

In addition to adding 15,000,000 shares to the Stock and Incentive Plan, the amendment and restatement of the plan also makes the following changes:

- Stock options and stock appreciation rights will be subject to the same three-year minimum vesting period that applies to restricted stock and restricted stock units;

-



The individual calendar year limit under the Stock and Incentive Plan for performance awards payable in cash for purpose of Section 162(m) of the Internal Revenue Code has been increased to \$30,000,000;  
 Language has been added to the Stock and Incentive Plan to clarify the breadth of the prohibition against “liberal share counting” or “liberal share recycling” with respect to shares available for awards under the plan; and  
 Language has been added to the Stock and Incentive Plan to clarify that all shares available for award under the plan are available for awards as incentive stock options.

In addition to the foregoing, the Stock and Incentive Plan contains the following important features:

- Repricing of stock options and stock appreciation rights is prohibited unless prior stockholder approval is obtained.
- Stock options and stock appreciation rights must be granted with an exercise price that is not less than 100% of the fair market value on the date of grant.
- The ability to automatically receive replacement stock options when a stock option is exercised with previously acquired shares of Halliburton common stock, or so-called “stock option reloading,” is not permitted.

**Share Reserve** (adjusted for 1997 and 2006 stock splits where applicable)

Shares authorized under the Stock and Incentive Plan	172,199,680
Shares granted (less available cancellations and shares expired) from 1993 through January 31, 2015 from the Stock and Incentive Plan	158,232,846
Remaining shares available for grant as of January 31, 2015	13,966,834
Additional shares being requested under the amendment and restatement of the Stock and Incentive Plan	15,000,000
Total shares available for grant under the amended and restated Stock and Incentive Plan	28,966,834

Note: As of January 31, 2015, Halliburton had total outstanding awards of 18,145,111 options with a weighted average exercise price of \$43.50 and a weighted average life of 7.38 years, and 16,024,692 full value awards.

[Back to Contents](#)

If the amendment and restatement of the Stock and Incentive Plan is approved by stockholders, the aggregate number of shares of Halliburton common stock that will be available for issuance under the Stock and Incentive Plan would increase to 28,966,834 shares, based on the estimates set forth above, all of which shall be available for awards of incentive stock options. Each share issued as restricted stock (or pursuant to the vesting of a stock unit or a performance share award) will count as the issuance of 1.60 shares reserved under the plan, while each share granted as a stock option or stock appreciation right will count as the issuance of 1.0 share reserved under the plan. If awards granted under the Stock and Incentive Plan are forfeited or terminate before being exercised, then the shares underlying those awards will again become available for awards under the Stock and Incentive Plan.

The Stock and Incentive Plan does not provide for “liberal share counting” or “liberal share recycling.” Liberal share counting or liberal share recycling refer to circumstances where shares granted and exercised may be added back to the plan for future issuance, including the following situations:

- §Shares tendered or withheld in payment of an exercise price,
- §Shares tendered or withheld to satisfy tax withholding obligations,
- §Shares reacquired by an issuer with the proceeds of an option exercise price; and
- §Shares that are not issued due to a net settlement of an award.

In each of the situations above, such shares are no longer available for awards under the Stock and Incentive Plan. For example, shares withheld from an award to satisfy tax withholding obligations are no longer available for awards under the Stock and Incentive Plan, and a stock appreciation right or option will be counted in full against the number of shares available for issuance under the Stock and Incentive Plan, regardless of whether a net settlement occurs resulting in a fewer number of shares issued than are covered by the stock appreciation right or option.

The number of stock option shares or stock appreciation rights, singly or in combination, together with shares or share equivalents under performance awards granted to any individual in any one calendar year, shall not in the aggregate exceed 1,000,000. The cash value determined as of the date of grant of any performance award not denominated in common stock granted to any individual for any one calendar year shall not exceed \$30,000,000.

In the event of any recapitalization, reorganization, merger, consolidation, combination, exchange, stock dividend, stock split, extraordinary dividend or divestiture (including a spin-off) or any other change in the corporate structure or shares of common stock occurring after the date of the grant of an award, the Compensation Committee shall make appropriate adjustments to the number and price of shares of common stock or other consideration subject to such awards and the award limits set forth in the preceding paragraph.

**The Stock and Incentive Plan**

## **Types of Awards**

The Stock and Incentive Plan provides for the grant of any or all of the following types of awards:

- stock options, including incentive stock options and non-qualified stock options;
- stock appreciation rights, either independent of, or in connection with, stock options;
- restricted stock;
- restricted stock units;
- performance awards; and
- stock value equivalent awards.

Any stock option granted in the form of an incentive stock option must satisfy the requirements of Section 422 of the Internal Revenue Code. Awards may be made to the same person on more than one occasion and may be granted singly, in combination, or in tandem as determined by the Compensation Committee. To date, only awards of non-qualified stock options, restricted stock, restricted stock units and cash-based performance awards have been made under the Stock and Incentive Plan.

## **Term**

The Stock and Incentive Plan has an indefinite term.

[Back to Contents](#)

## **Administration**

The Board has appointed the Compensation Committee to administer the Stock and Incentive Plan. Subject to the terms of the Stock and Incentive Plan, and to any approvals and other authority as the Board may reserve to itself from time to time, the Compensation Committee, consistent with the terms of the Stock and Incentive Plan, will have authority to:

select the individuals to receive awards and determine the timing, form, amount or value and term of grants and awards, including providing for terms regarding the accelerated vesting of an award otherwise subject to minimum vesting provisions, and the conditions and restrictions, if any, subject to which grants and awards will be made and become payable under the Stock and Incentive Plan; construe the Stock and Incentive Plan and prescribe rules and regulations for the administration of the Stock and Incentive Plan; and make any other determinations authorized under the Stock and Incentive Plan as the Compensation Committee deems necessary or appropriate.

## **Eligibility**

A broad group of our employees and employees of our affiliates are eligible to participate in the Stock and Incentive Plan. The selection of participants from eligible employees is within the discretion of the Compensation Committee. Non-employee directors are eligible to participate in the Stock and Incentive Plan. As of January 1, 2015, approximately 19,500 employees (including employees and executive officers) and 11 non-employee directors were eligible for awards under the Stock and Incentive Plan as determined by the Compensation Committee.

## **Stock Options**

Under the Stock and Incentive Plan, the Compensation Committee may grant awards in the form of stock options to purchase shares of common stock. The Compensation Committee will determine the number of shares subject to an option, the manner and time of the option's exercise, and the exercise price per share of stock subject to the option. Options may not become exercisable in less than three years from the date of grant, provided that options may become exercisable in equal installments over the three-year period after the grant date. The term of an option may not exceed ten years. We do not receive any consideration for granting stock options. The exercise price of a stock option will not be less than the fair market value of the common stock on the date the option is granted. Repricing of stock options and reloading of stock options are prohibited unless prior stockholder approval is obtained. The Compensation Committee will designate each option as a non-qualified or an incentive stock option.

The option exercise price may, at the discretion of the Compensation Committee, be paid by a participant in cash, shares of common stock or a combination of cash and common stock. Except as set forth below with regard to specific

corporate changes, no option will be exercisable within six months of the date of grant.

### **Stock Appreciation Rights**

The Stock and Incentive Plan also authorizes the Compensation Committee to grant stock appreciation rights either independent of, or in connection with, a stock option. The exercise price of a stock appreciation right will not be less than the fair market value of the common stock on the date the stock appreciation right is granted. If granted with a stock option, exercise of stock appreciation rights will result in the surrender of the right to purchase the shares under the option as to which the stock appreciation rights were exercised. Upon exercising a stock appreciation right, the holder receives for each share for which the stock appreciation right is exercised, an amount equal to the difference between the exercise price and the fair market value of the common stock on the date of exercise.

Payment of that amount may be made in shares of common stock, cash, or a combination of cash and common stock, as determined by the Compensation Committee. Stock appreciation rights may not become exercisable in less than three years from the date of grant, provided that stock appreciation rights may become exercisable in equal installments over the three-year period after the grant date. The term of a stock appreciation right grant may not exceed ten years. Repricing of stock appreciation rights and reloading of stock appreciation rights are prohibited unless prior stockholder approval is obtained. We do not receive any consideration for granting stock appreciation rights.

[Back to Contents](#)

## **Restricted Stock**

The Stock and Incentive Plan provides that shares of common stock subject to specific restrictions may be awarded to eligible individuals as determined by the Compensation Committee. The Compensation Committee will determine the nature and extent of the restrictions on the shares, the duration of the restrictions, and any circumstance under which restricted shares will be forfeited. The restriction period may not be less than three years from the date of grant, provided that shares of restricted stock may vest in equal installments over the three-year period after the grant date. During the period of restriction, recipients will have the right to receive dividends and the right to vote the shares.

## **Restricted Stock Units**

The Stock and Incentive Plan authorizes the Compensation Committee to grant restricted stock units. A restricted stock unit is a unit evidencing the right to receive one share of common stock or an equivalent cash value equal to the fair market value of a share of common stock. The Compensation Committee will determine the nature and extent of the restrictions on the restricted stock units, the duration of the restrictions, and any circumstance under which restricted stock units will be forfeited. The restriction period may not be less than three years from the date of grant, provided that restricted stock units may vest in equal installments over the three-year period after the grant date. The Compensation Committee may provide for the payment of dividend equivalents during the period of restriction, but recipients will not have the right to receive actual dividends or to vote the shares underlying the restricted stock units.

## **Performance Awards**

The Stock and Incentive Plan permits the Compensation Committee to grant performance awards to eligible individuals. Performance awards are awards that are contingent on the achievement of one or more performance measures. Such performance measures may be established and administered in accordance with the requirements of Section 162(m) of the Internal Revenue Code. Performance awards may be settled in cash or stock, as determined by the Compensation Committee. The number of shares or share equivalents under performance awards, singly or in combination, together with the number of stock option shares or stock appreciation rights, granted to any individual in any one calendar year, shall not in the aggregate exceed 1,000,000. The cash value (determined as of the date of grant) of any performance award that is not denominated in stock granted to any one participant in a calendar year may not exceed \$30,000,000.

The performance criteria that may be used by the Compensation Committee in granting performance awards consist of objective tests based on the following:

earnings

- cash flow
- customer satisfaction
- cash value added performance
- stockholder return and/or value
- operating profits (including EBITDA)
- revenues
- financial return ratios
- profit return and margins
- market share
- working capital
- net profits
- earnings per share
- stock price
- cost reduction goals
- debt to capital ratio

The Compensation Committee may select one criterion or multiple criteria for measuring performance. The measurement may be based on our overall corporate performance, based on subsidiary or business unit performance, or based on comparative performance with other companies or other external measures of selected performance criteria. The Compensation Committee will also determine the length of time over which performance will be measured and the effect of a recipient's death, disability, retirement or other termination of service during the performance period.

[Back to Contents](#)

## **Stock Value Equivalent Awards**

The Stock and Incentive Plan permits the Compensation Committee to grant stock value equivalent awards to eligible individuals. Stock value equivalent awards are rights to receive the fair market value of a specified number of shares of common stock, or the appreciation in the fair market value of the shares, over a specified period of time, pursuant to a vesting schedule, all as determined by the Compensation Committee. Payment of the vested portion of a stock value equivalent award shall be made in cash, based on the fair market value of the common stock on the payment date. The Compensation Committee will also determine the effect of a recipient's death, disability, retirement or other termination of service during the applicable period.

## **Amendment**

The Stock and Incentive Plan provides that the Board may at any time terminate or amend the plan. However, the Board may not, without approval of the stockholders, amend the Stock and Incentive Plan to effect a "material revision" of the Plan, where a "material revision" includes, but is not limited to, a revision that:

- materially increases the benefits accruing to a Holder under the plan;
- materially increases the aggregate number of securities that may be issued under the plan;
- materially modifies the requirements as to eligibility for participation in the plan; or
- changes the types of awards available under the plan.

No amendment or termination of the Stock and Incentive Plan shall, without the consent of the optionee or participant, alter or impair rights under any options or other awards previously granted.

The summary of the Stock and Incentive Plan provided above is a summary of the principal features of the plan. This summary, however, does not purport to be a complete description of all of the provisions of the Stock and Incentive Plan. It is qualified in its entirety by references to the full text of the Stock and Incentive Plan. A copy of the Stock and Incentive Plan can be found in Appendix B to this proxy statement.

## **Change-in-Control**

In the event of a corporate change, unless an award document otherwise provides, as of the corporate change effective date, the following will occur automatically:



any outstanding options and stock appreciation rights shall become immediately vested and fully exercisable;  
any restrictions on restricted stock awards or restricted stock unit awards shall immediately lapse;  
all performance measures upon which an outstanding performance award is contingent shall be deemed achieved and  
the holder shall receive a payment equal to the maximum amount of the award he or she would have been entitled to receive, prorated to the corporate change effective date; and  
any outstanding cash awards, including stock value equivalent awards, shall immediately vest and be paid based on the vested value of the award.

### **Plan Benefits**

All awards to directors, executive officers and employees are made at the discretion of the Compensation Committee. Therefore, the benefits and amounts that will be received or allocated under the Stock and Incentive Plan as amended and restated are not determinable at this time.

[Back to Contents](#)

## **Federal Income Tax Treatment**

The following summarizes the current U.S. federal income tax consequences generally arising for awards under the Stock and Incentive Plan.

A participant who is granted an incentive stock option does not realize any taxable income at the time of the grant or at the time of exercise, but in some circumstances may be subject to an alternative minimum tax as a result of the exercise. Similarly, we are not entitled to any deduction at the time of grant or at the time of exercise. If the participant makes no disposition of the shares acquired pursuant to an incentive stock option before the later of two years from the date of grant and one year from the date of exercise, any gain or loss realized on a subsequent disposition of the shares will be treated as a long-term capital gain or loss. Under these circumstances, we will not be entitled to any deduction for federal income tax purposes. If the participant fails to hold the shares for that period, the disposal is treated as a disqualifying disposition. The gain on the disposition is ordinary income to the participant to the extent of the difference between the option price and the fair market value on the exercise date. Any excess is long-term or short-term capital gain, depending on the holding period. Under these circumstances, we will be entitled to a tax deduction equal to the ordinary income amount the participant recognizes in a disqualifying disposition.

A participant who is granted a non qualified stock option does not have taxable income at the time of grant, but does have taxable income at the time of exercise. The income equals the difference between the exercise price of the shares and the market value of the shares on the date of exercise. We are entitled to a corresponding tax deduction for the same amount.

The grant of a stock appreciation right will produce no U.S. federal tax consequences for the participant or us. The exercise of a stock appreciation right results in taxable income to the participant, equal to the difference between the exercise price of the shares and the market price of the shares on the date of exercise, and a corresponding tax deduction to us.

A participant who has been granted an award of restricted shares of common stock or an award of restricted stock units will not realize taxable income at the time of the grant. When the restrictions lapse, the participant will recognize taxable income in an amount equal to the excess of the fair market value of the shares or cash received at that time over the amount, if any, paid for the shares. We will be entitled to a corresponding tax deduction. Dividends on restricted stock and dividend equivalents, if any, on restricted stock units paid to the participant during the restriction period will also be compensation income to the participant and will be deductible as compensation expense by us.

A participant who has been granted a performance award will not realize taxable income at the time of the grant, and we will not be entitled to a tax deduction at that time. A participant will realize ordinary income at the time the award is paid equal to the amount of cash paid or the value of shares delivered, and we will be entitled to a corresponding tax deduction.

The grant of a stock value equivalent award produces no U.S. federal income tax consequences for the participant or us. The payment of a stock value equivalent award results in taxable income to the participant equal to the amount of the payment received, valued with reference to the fair market value of the common stock on the payment date. We are entitled to a corresponding tax deduction for the same amount.

We may deduct any taxes required by law to be withheld in connection with any award.

Section 409A of the Internal Revenue Code generally provides that any deferred compensation arrangement which does not meet specific requirements regarding (i) timing of payouts, (ii) advance election of deferrals or (iii) restrictions on acceleration of payouts, will result in immediate taxation of any amounts deferred to the extent not subject to a substantial risk of forfeiture. Failure to comply with Section 409A may result in the early taxation (plus interest) to the holder of deferred compensation and the imposition of a 20% penalty on the holder on such deferred amounts included in the holder's income. In general, to avoid a Section 409A violation, amounts deferred may only be paid out on separation from service, disability, death, a change-in-control, an unforeseen emergency (other than death), each as defined under Section 409A or at a specified time. Furthermore, the election to defer generally must be made in the calendar year prior to performance of services, and any provision for accelerated payout other than for the reasons specified above may cause the amounts deferred to be subject to early taxation and to the imposition of the excise tax. Based on current guidance, we expect that we will be able to structure future awards in a manner that complies with Section 409A.

### **General/Vote Required**

The closing price of our common stock on March 23, 2015, as traded on the NYSE was \$42.40 per share.

The affirmative vote of the holders of a majority of the shares of Halliburton's common stock represented at the Annual Meeting and entitled to vote on the matter is needed to approve the proposal.

**The Board of Directors recommends a vote FOR the approval of the proposed amendment and restatement of the Halliburton Company Stock and Incentive Plan.**

[Back to Contents](#)

**PROPOSAL NO. 5 PROPOSAL TO AMEND AND RESTATE THE HALLIBURTON COMPANY  
EMPLOYEE STOCK PURCHASE PLAN**

**Introduction**

In 2002, the Board of Directors adopted and the stockholders approved the Halliburton Company 2002 Employee Stock Purchase Plan (the “2002 ESPP”), effective July 1, 2002, and reserved 24,000,000 shares (adjusted for 2-1 stock split in July 2006) for issuance under the 2002 ESPP. The 2002 Non-Qualified Stock Purchase Plan, a sub-plan of the 2002 ESPP (the “Sub-Plan”), was established to facilitate the offering of stock ownership interests to employees residing outside the United States. In 2009, the 2002 ESPP was renamed the Halliburton Company Employee Stock Purchase Plan (the “ESPP”), the Sub-Plan was renamed the Halliburton Company Non-Qualified Stock Purchase Plan (the “NQSP”) and an additional 20,000,000 shares were approved by stockholders for issuance under the plans.

This amendment and restatement replenishes the pool of shares of Halliburton common stock available for purchase under the ESPP by adding 30,000,000 shares. This amended and restated ESPP is subject to stockholder approval.

Our Board is requesting that stockholders approve the amendment and restatement of the ESPP and the reservation of shares for issuance under the ESPP, which amendment and restatement was approved by the Board of Directors on February 24, 2015. Stockholder approval will qualify the shares for special tax treatment under Internal Revenue Code Section 423.

**Summary of the ESPP**

*Purpose.* The purpose of the ESPP is to provide employees of Halliburton and its designated subsidiaries with the opportunity to purchase Halliburton common stock and, therefore, to have an additional incentive to contribute to the prosperity of Halliburton.

*Administration.* The ESPP will be administered by the Compensation Committee of Directors (the “Committee”). None of the members of the Committee is an officer or employee, or former officer or employee, of Halliburton or its subsidiaries. Subject to the terms of the ESPP, the Committee has the power to make, amend and repeal rules and regulations for the interpretation and administration of the ESPP. The decisions of the Committee are final and binding upon all parties.

**Shares Subject to the ESPP.** As amended and restated, there will be a total of 74,000,000 shares reserved for issuance under the ESPP, subject to adjustment as described below. The reserved shares will also be used to fund stock

purchases under the NQSPP, and any shares issued under the NQSPP will reduce, on a share-for-share basis, the number of shares available for subsequent issuance under the ESPP. On March 23, 2015, the closing price per share of Halliburton common stock was \$42.40.

*Eligibility.* In general, any employee of Halliburton or a designated subsidiary is eligible to participate in the ESPP during a purchase period unless the employee is employed in a country whose laws or regulations effectively prohibit participation in the plan. A “purchase period” is a period of approximately three months that begins on the first trading day of each January, April, July, and October. An “enrollment date” is the first day of each purchase period. Eligible employees become participants in the ESPP by filing with Halliburton a payroll deduction authorization form within the time prescribed by the Committee prior to an enrollment date.

As of January 15, 2015, 36,581,080 shares of common stock had been issued under the ESPP and the NQSPP, and 37,418,920 shares would be available for future issuance, assuming approval of the 30,000,000 share increase, which forms part of this proposal. As of January 15, 2015, approximately 80,000 employees, including 11 executive officers, would have been eligible to participate in the ESPP.

*Plan Participation.* Each participant is granted a right to purchase shares of Halliburton common stock on his or her enrollment date. A participant in the ESPP may make contributions through payroll deductions of up to ten percent of his or her eligible compensation each pay period, but not less than \$10 for any pay period. Stock purchase rights may not accrue at a rate that exceeds \$25,000 in fair market value of the common stock (determined at the time such stock purchase rights are granted) per calendar year. The participant’s contributions are used to purchase shares of Halliburton’s common stock at the end of each purchase period. The right to purchase Halliburton shares is exercised automatically on the last trading day of each purchase period (“purchase date”) to the extent of the payroll deductions accumulated during the purchase period, provided that the number of shares that may be purchased by a participant in any purchase

Back to Contents

period is limited to 10,000 shares. No participant shall be granted a stock purchase right under the ESPP to the extent that, immediately after the grant, such participant (or any other person whose stock would be attributed to such participant) would own capital stock of Halliburton and/or hold outstanding options to purchase such stock possessing 5% or more of the total combined voting power or value of all classes of the capital stock of Halliburton or any of its subsidiaries.

*Purchase Price; Shares Purchased.* The purchase price per share is equal to 85% of the fair market value of the common stock on the enrollment date or the purchase date, whichever is less. The number of whole and fractional shares of Halliburton common stock a participant purchases in each purchase period is determined by dividing the total amount of payroll deductions during the purchase period by the purchase price.

*Termination of Employment.* Termination of a participant's employment for any reason, including death, immediately cancels his or her participation in the ESPP. In that event, the payroll deductions credited to the participant's account will be refunded to him or her, and in the case of death, to his or her estate or personal representative.

*Changes in Common Stock; Adjustments.* In the event that Halliburton's common stock is changed by reason of any stock split, stock dividend, recapitalization, combination or other similar change in Halliburton's capital structure, appropriate action will be taken by the Committee to adjust any or all of (i) the number and type of shares subject to the ESPP, (ii) the number and type of shares subject to outstanding stock purchase rights and (iii) the purchase price. In the event of a Corporate Change (as defined in the ESPP), unless the successor corporation assumes or substitutes new stock purchase rights:

- the purchase date for the outstanding stock purchase rights will be accelerated to a date fixed by the Committee prior to the effective date of the Corporate Change; and
- on the effective date, any unexercised stock purchase rights will expire and Halliburton will promptly refund the unused amount of each participant's payroll deductions.

*Amendment and Termination of the Plan.* The Board may terminate the ESPP at any time with respect to common stock that is not subject to stock purchase rights. The Board may amend the ESPP at any time, provided that no change may be made in any outstanding stock purchase right that would materially impair that right without the consent of the participant. If not sooner terminated, the ESPP will automatically terminate when all of the shares of common stock reserved for issuance have been sold.

*Withdrawal.* Generally, a participant may withdraw from the ESPP during a purchase period at any time prior to the fifth business day before a purchase date.

The summary of the ESPP provided above is a summary of the principal features of the plan. This summary, however, does not purport to be a complete description of all of the provisions of the ESPP. It is qualified in its entirety by references to the full text of the ESPP. A copy of the ESPP can be found in Appendix C to this proxy statement, and any stockholder who wishes to obtain a copy of the ESPP may do so by written request to the Corporate Secretary at the address set forth on page 2 of this proxy statement.

### **U.S. Federal Income Tax Treatment**

The following summarizes the effect of current U.S. federal income tax upon the participant and Halliburton with respect to shares purchased under the ESPP. It does not purport to be complete, and does not discuss the tax consequences arising in the context of a participant's death or the income tax laws of any municipality, state or foreign country in which the participant's income or gain may be taxable.

If the Halliburton stockholders approve this proposal, the ESPP, and the right of participants to make purchases thereunder, should qualify under the provisions of Sections 421 and 423 of the Internal Revenue Code. Under these provisions, no income will be taxable to a participant until the shares purchased under the ESPP are sold or otherwise disposed of. Upon sale or other disposition of the shares, the participant will generally be subject to tax and the amount of the tax will depend on the holding period. If the shares are sold or disposed of more than two years from the first day of the applicable purchase period and more than one year from the date of transfer of the shares to the participant, then the participant generally will recognize ordinary income measured as the lesser of:

- the excess of the fair market value of the shares at the time of sale over the purchase price, or
- 15% of the fair market value of the shares as of the enrollment date.

Any additional gain should be treated as long-term capital gain. If the shares are disposed of within the two-year and one-year periods referred to above, the participant will recognize ordinary income generally measured as the difference between the fair market value of the shares on the purchase date over the purchase price. Any additional gain or loss on the sale will be long-term or short-term capital gain or loss, depending on the holding period. Halliburton is not entitled to a deduction for amounts taxed as ordinary income or capital gain to a participant except to the extent ordinary income is recognized by participants upon a disposition of shares prior to the expiration of the holding period.

[Back to Contents](#)

## **Non-U.S. Federal Income Tax Treatment**

The income taxation consequences to participants and Halliburton (or its foreign subsidiaries) with respect to participation in the NQSPP vary by country. Generally, participants are subject to taxation at the time of purchase. The employing foreign subsidiary may be entitled to a deduction in the tax year in which a participant recognizes taxable income, provided the subsidiary reimburses Halliburton for the cost of the benefit conferred under the NQSPP.

## **Plan Benefits**

The benefits to be received by Halliburton's executive officers and employees as a result of the proposed amendment and restatement of the ESPP are not determinable, since the amounts of future purchases by participants are based on elective participant contributions. Non-employee Directors are not eligible to participate. No purchase rights have been granted, and no shares of common stock have been issued, with respect to the 30,000,000 share increase for which stockholder approval is sought under this proposal.

## **Vote Required**

The affirmative vote of the holders of a majority of the shares of Halliburton's common stock represented at the Annual Meeting and entitled to vote on the matter is needed to approve the proposal.

**The Board of Directors recommends a vote FOR the approval of the proposed amendment and restatement of the Halliburton Company Employee Stock Purchase Plan.**



[Back to Contents](#)

## **ADDITIONAL INFORMATION**

### **Involvement in Certain Legal Proceedings**

There are no legal proceedings to which any of our Directors, or executive officers, or any associate of any of our Directors or executive officers, is a party adverse to us or has a material interest adverse to us.

### **Advance Notice Procedures**

Under our By-laws, no business, including nominations of a person for election as a director, may be brought before an Annual Meeting unless it is specified in the notice of the Annual Meeting or is otherwise brought before the Annual Meeting by or at the direction of the Board or by a stockholder who meets the requirements specified in our By-laws and has delivered notice to us (containing the information specified in the By-laws). To be timely, a stockholder's notice for matters to be brought before the Annual Meeting of Stockholders in 2016 must be delivered to or mailed and received at our principal executive office specified on page 2 of this proxy statement not less than 90 days nor more than 120 days prior to the anniversary date of the 2015 Annual Meeting of Stockholders, or no later than February 20, 2016 and no earlier than January 21, 2016. These requirements are separate from and in addition to the SEC's requirements that a stockholder must meet in order to have a stockholder proposal included in our proxy statement. This advance notice requirement does not preclude discussion by any stockholder of any business properly brought before the Annual Meeting in accordance with these procedures.

### **Proxy Solicitation Costs**

We are soliciting the proxies accompanying this proxy statement, and we will bear the cost of soliciting those proxies. We have retained Georgeson Inc. to aid in the solicitation of proxies. For these services, we will pay Georgeson a fee of \$15,000 and reimburse it for out-of-pocket disbursements and expenses. Our officers and employees may solicit proxies personally and by telephone or other telecommunications with some stockholders if proxies are not received promptly. We will, upon request, reimburse banks, brokers, and others for their reasonable expenses in forwarding proxies and proxy materials to beneficial owners of our stock.

### **Stockholder Proposals for the 2016 Annual Meeting**

Stockholders interested in submitting a proposal for inclusion in the proxy materials for the Annual Meeting of Stockholders in 2016 may do so by following the procedures prescribed in SEC Rule 14a-8. To be eligible for

inclusion, stockholder proposals must be received by our Vice President and Corporate Secretary at 3000 N. Sam Houston Parkway East, Administration Building, Houston, TX 77032, no later than December 9, 2015. The 2016 Annual Meeting will be held on May 18, 2016.

## **OTHER MATTERS**

As of the date of this proxy statement, we know of no business that will be presented for consideration at the Annual Meeting other than the matters described in this proxy statement. If any other matters should properly come before the Annual Meeting for action by stockholders, it is intended that proxies will be voted on those matters in accordance with the judgment of the person or persons voting the proxies.

By Authority of the Board of Directors,

**Christina M. Ibrahim**

*Vice President and Corporate Secretary*

April 7, 2015

**HALLIBURTON - 2015 Proxy Statement** 58

[Back to Contents](#)

## APPENDIX A

### Corporate Governance Guidelines

Revised effective as of January 1, 2015

The Board of Directors has adopted these Guidelines to assist it in the exercise of its responsibilities. These Guidelines are reviewed annually by the Nominating and Corporate Governance Committee and revised as appropriate.

The Board believes that the primary responsibility of the Directors is to provide effective governance over Halliburton's affairs for the benefit of its stockholders. That responsibility includes:

A. Evaluate the performance of the Chief Executive Officer and take appropriate action, including removal, when warranted. Specifically:

1. In an executive session, each year, the Lead Director shall facilitate the discussion of the non-management Directors to evaluate the performance of the Chief Executive Officer. In evaluating the Chief Executive Officer, the non-management Directors shall consider the Chief Executive Officer's performance in both qualitative and quantitative areas, including:

a. Leadership and vision;

b. Integrity;

c. Keeping the Board informed on matters affecting Halliburton and its operating units;

d. Performance of the business (including such measurements as total stockholder return, health, safety and environmental performance, and achievement of financial objectives and goals);

e. Development and implementation of initiatives to provide long-term economic benefits to Halliburton;

f. Accomplishment of strategic objectives; and

g. Development of management.

The Lead Director will communicate the evaluation to the Chief Executive Officer.

While the Lead Director communicates the evaluation to the Chief Executive Officer, the Compensation Committee meets in an independent session to review the performance evaluation of the Chief Executive Officer and the market study conducted by an independent, outside compensation consultant. Based upon such review, the Compensation Committee will generate the Chief Executive Officer's compensation

recommendation for the upcoming fiscal year. The Compensation Committee will then present its recommendation to the non-management Directors when they reconvene in an executive session.

2. The non-management Directors will set the Chief Executive Officer's compensation for the next year based upon the recommendation from the Compensation Committee.

B. Select, evaluate, and set the compensation of executive management of Halliburton.

Annually review and evaluate the succession plans and management development programs for all members of executive management, including the Chief Executive Officer. Specifically, the Board will oversee a Chief Executive Officer succession management process, which will:

1. Develop criteria for the CEO position that reflects Halliburton's business strategy;
2. Utilize a formal assessment process to evaluate CEO candidates;
3. Identify and develop internal candidates for the CEO position;
4. Ensure non-emergency CEO planning at least three (3) years before an expected transition; and
5. Develop and maintain an emergency CEO succession plan.

D. Conduct periodic reviews of and approve strategic and business plans, and monitor corporate performance against such plans.

E. Review:

Applicable laws and regulations, including periodic updates from management provided to the Health, Safety and Environment Committee regarding health, safety and environmental laws and regulations applicable to Halliburton's major areas of operation;

Updates from management, which shall be provided at least once per year, regarding any political contributions made by Halliburton to U.S. local, state and federal government officials who oversee or regulate Halliburton's operations, including any expenditures on lobbyists and political action committees, and any contributions to U.S. trade organizations;

3. Maintenance of accounting, financial, disclosure and other controls;
4. Adequacy of compliance systems and controls;
5. Policies to govern corporate conduct and compliance, and adopt the same; and
6. Matters of corporate governance.

F. Conduct an annual evaluation of the overall effectiveness of the Board.

[Back to Contents](#)  
**Board Structure**

**Chairman of the Board and Chief Executive Officer:** The Board believes that, under normal circumstances, the Chief Executive Officer should also serve as the Chairman of the Board. The Chairman of the Board and Chief Executive Officer is responsible to shareholders for the overall management and functioning of Halliburton.

A. Notwithstanding the foregoing, on an annual basis the Board will consider whether it is appropriate that the Chairman of the Board and the Chief Executive Officer be the same individual and, if it determines that it is no longer appropriate, will take the necessary steps to have a different individual appointed to each of the positions.

**Lead Director:** If the offices of Chairman of the Board and Chief Executive Officer are held by the same person, the independent members of the Board will, after considering the recommendation of the Nominating and Corporate Governance Committee, annually elect an independent Director to serve in a lead capacity. Although elected annually, the Lead Independent Director is generally expected to serve for more than one year. The Lead Director of the Board shall preside at each executive session of the non-management Directors and each executive session of the independent Directors and, in his or her absence, the independent Directors shall select one of their number to preside. The Lead Director is responsible for periodically scheduling and conducting separate meetings and coordinating the activities of the non-management and independent Directors, providing input into and approving agendas for Board meetings and performing various other duties as may be appropriate, including advising the Chairman of the Board.

B.

**Director Independence:** The Nominating and Corporate Governance Committee will review the definition of independence and compliance with these guidelines periodically.

C.

At least three-fourths of the members of the Board shall be independent Directors. In order to be independent, a Director cannot have a material relationship with the Company. A Director will not be considered independent if he or she:

Is or has been employed by the Company or any of its affiliates in the preceding five calendar years, or any member of the Director's immediate family has been employed as an Executive Officer of the Company or any of its affiliates in the preceding five calendar years;

a)

Has received in the current calendar year, in any of the immediately preceding three calendar years or during any twelve-month period within the last three years, more than \$120,000 in direct compensation or personal remuneration from the Company, other than director's fees, committee fees and pension or other forms of deferred compensation for prior service as a Director (provided such compensation is not contingent in any way on continued service);

b)

Has an immediate family member who has received during any twelve-month period within the last three years, more than \$120,000 in direct compensation or personal remuneration from the Company, other than director's fees, committee fees and pension or other forms of deferred compensation for prior service as a Director (provided such compensation is not contingent in any way on continued service);

c)

(i) is a current partner or employee of the Company's external auditor or (ii) during the past three years, was a partner or employee of the Company's external auditor and personally worked on the Company's audit within that time;

d)

Has an immediate family member who (i) is a current partner of the Company's external auditor, (ii) is a current employee of the Company's external auditor and personally works on the Company's audit or (iii) during the past three years, was a partner or employee of the Company's external auditor and personally worked on the

e)

Company's audit within that time;

Is a partner, member or officer of, or employed in a similar position with, any entity that provides accounting, consulting, legal, investment banking or financial advisory services to the Company for which such entity  
f) receives payments from the Company in excess of \$120,000 per year; provided that this provision does not apply to a Director who is a limited partner or non-managing member of, or is employed in a similar position with, such entity and has no active role in providing such services to the Company;

Is a current employee, or has an immediate family member who is a current executive officer, of an entity that  
g) has made payments to, or received payments from, the Company for property or services in an amount which, in any of the last three fiscal years, exceeds the greater of \$1 million or 2% of such other entity's consolidated gross revenues;

Is or has been within the preceding three years part of an interlocking directorate in which the Chief Executive  
h) Officer or another Executive Officer of the Company serves on the compensation committee of another entity that employs the Director, or an immediate family member of the Director, as an Executive Officer;

Is or has an immediate family member who is currently a party to one or more personal services contract(s)  
i) with the Company or any Executive Officer of the Company that provides in the aggregate for payments to the Director or immediate family member in excess of \$120,000 per year;

Serves or has an immediate family member who serves as an executive officer of any tax-exempt entity that  
j) has received the greater of 1% of such tax-exempt entity's consolidated gross revenues or \$120,000 from the Company in any of the three immediately preceding fiscal years; or

During the current calendar year or any of the three immediately preceding calendar years, has had any other business relationship with the Company for which the Company has been required to make disclosure under  
k) Item 404(a) of Regulation S-K of the Securities and Exchange Commission; provided, however, that this Section C.1.k shall not apply if such relationship arose in connection with such Director's status as a past or current senior executive of a company in the oil and gas industry and such Director satisfies the

Back to Contents

independence tests set forth above and any other then-current applicable regulatory standards for independence.

2. All Directors complete independence questionnaires at least annually and the Board makes determinations of the independence of its members.

3. For purposes of the foregoing Section C:

- a) “affiliate” means any individual or entity that directly, or indirectly through one or more intermediaries, controls, is controlled by or is under common control with, the Company;
- b) “Company” means Halliburton and includes any parent or subsidiary in a consolidated group with Halliburton;
- c) “Executive Officer” has the meaning given to “officer” in Rule 16a-1(f) of the Securities Exchange Act of 1934, as amended; and

“immediate family member” includes a person’s spouse, parents, children, siblings, mothers and fathers-in-law, sons and daughters-in-law, brothers and sisters-in-law and anyone (other than domestic employees) who shares such person’s home. For purposes of the look-back provision in Sections C.1.a, C.1.c, C.1.e and C.1.i above, “immediate family member” will not include individuals who are no longer immediate family members as a result of legal separation or divorce, or those who have died or become incapacitated.

**Management Directors:** The Board believes that management Directors should number not more than two (2). While this number is not an absolute limitation, other than the Chief Executive Officer, who should at all times be a member of the Board, management Directors should be limited only to those officers whose positions or potential make it appropriate for them to sit on the Board.

**Size of the Board:** The Board believes that, optimally, the Board should number between ten (10) and fourteen (14) members. Halliburton’s By-laws prescribe that the number of Directors will not be less than eight (8) nor more than twenty (20).

**Service of Former CEOs and Other Former Management on the Board:** Management Directors shall retire from the Board at the time of their retirement as an employee unless continued service as a Director is requested and approved by the Board.

**Annual Election of All Directors:** As provided in Halliburton’s By-laws, all Directors are elected annually by the majority of votes cast, unless the number of nominees exceeds the number of Directors to be elected, in which event the Directors shall be elected by a plurality vote. Should a Director’s principal title change during the year, he or she must submit a letter of Board resignation to the Chairman of the Nominating and Corporate Governance Committee who, with the full Committee, shall have the discretion to accept or reject the resignation.

**Process for the Selection of New Directors:** The Board is responsible for filling Board vacancies that may occur between annual meetings of stockholders. The Board has delegated to the Nominating and Corporate Governance Committee the duty of selecting and recommending prospective nominees to the Board for approval.

The Nominating and Corporate Governance Committee considers suggestions of candidates for Board membership made by current Committee and Board members, Halliburton management, and stockholders. The Committee may retain an independent executive search firm to identify candidates for consideration. A stockholder who wishes to recommend a prospective candidate should notify Halliburton’s Corporate Secretary, as described in Halliburton’s annual proxy statement. The Nominating and Corporate Governance Committee also considers whether to nominate persons put forward by stockholders pursuant to Halliburton’s By-laws relating to stockholder

nominations. For each individual nominated in accordance with Halliburton's By-laws by a stockholder owning at least 1% of the issued and outstanding voting stock of Halliburton, the Corporate Secretary will (i) obtain from such nominee any additional relevant information the nominee wishes to provide in consideration of his or her nomination, (ii) report on each such nominee to the Nominating and Corporate Governance Committee and (iii) facilitate having each such nominee meet with the Nominating and Corporate Governance Committee as the Committee deems appropriate.

When it is necessary to add a Director to the Board, the Nominating and Corporate Governance Committee, in consultation with the Board, determines the specific criteria for a new Director candidate. After the Nominating and Corporate Governance Committee identifies a prospective candidate, the Committee determines the appropriate method to evaluate the candidate. This determination is based on the information provided to the Committee by the person recommending the prospective candidate and the Committee's knowledge of the candidate. This information may be supplemented by inquiries to the person who made the recommendation or to others. The preliminary determination is based on the need for additional Board members to fill vacancies or to expand the size of the Board, and the likelihood that the candidate will meet the Board membership criteria listed in Section I below. The Committee will determine, after discussion with the Chairman of the Board and other Board members, whether a candidate should continue to be considered as a potential nominee. If a candidate warrants additional consideration, the Committee may request an independent executive search firm to gather additional information about the candidate's background, experience and reputation, and to report its findings to the Committee. The Committee then evaluates the candidate and determines whether to interview the candidate. One or more members of the Committee and others as appropriate perform candidate interviews. Once the evaluation and interviews are completed, the Committee recommends to the Board which candidates should be nominated. The Board makes a determination of nominees after review of the recommendation and the Committee's report.

I. **Board Membership Criteria:** Directors and nominees should possess the following qualifications:

1. Personal characteristics:

- a) Highest personal and professional ethics, integrity and values;
- b) An inquiring and independent mind; and
- c) Practical wisdom and mature judgment.



Back to Contents

2. Broad training and experience at the policy-making level in business, government, education or technology.
3. Expertise that is useful to Halliburton and complementary to the background and experience of other Board members, so that an optimum balance of members on the Board can be achieved and maintained.
4. Willingness to devote the required amount of time to carrying out the duties and responsibilities of Board membership.
5. Commitment to serve on the Board for several years to develop knowledge about Halliburton's principal operations.
6. Willingness to represent the best interests of all Halliburton stockholders and objectively appraise management performance.
7. Involvement only in activities or interests that do not create a conflict with the Director's responsibilities to Halliburton and its stockholders.

The Board evaluates nominees annually for election and reelection, and on an as-needed basis to fill vacancies, to ensure they meet the above criteria. The findings of the reviews and self-assessments conducted in accordance with Sections J and K below will be taken into consideration by the Nominating and Corporate Governance Committee and by the Board in connection with the decision as to who should be nominated for election and reelection.

**Annual Performance Review:** The Nominating and Corporate Governance Committee will conduct annual performance reviews of each non-management Director. While the Nominating and Corporate Governance Committee will be responsible for determining how to evaluate director performance, each evaluation will include a review of the non-management Director's:

1. Attendance and participation;
2. Changes in independence;
3. Changes in qualifications, including expertise;
4. Changes in status relating to principal occupation; and
5. Other contributions to the Board and its committees.

The Nominating and Corporate Governance Committee will review each evaluation and, if appropriate, discuss the evaluation with the applicable non-management Director.

K.

**Annual Review of Board Composition; Self-Assessment:** The Nominating and Corporate Governance Committee will conduct an annual review of the overall composition profile of the Board to determine whether the then-current non-management Directors collectively represent an appropriate mix of experience and expertise. One or more members of the Board shall have significant experience with an energy-focused company, with a manufacturing company in the chemical, energy or materials industry, or in matters relating to health, safety and the environment. In addition, the non-management Directors will conduct an annual self-assessment of the Board, including assessments of the following:

1. General makeup and composition of the Board;
2. Sufficiency of materials and information provided to the Board;
3. Board meeting mechanics and structure;
4. Board responsibilities and accountability; and
5. Board meeting content and conduct.

**Service on Other Public Company Boards:** (1) The Chief Executive Officer will not serve on the boards of directors of more than a total of two publicly traded companies in addition to Halliburton, and (2) no other Director will serve on the boards of directors of more than three publicly traded companies in addition to Halliburton, provided, however, that any such other Director may serve on boards of directors of additional companies if that Director served on such boards of directors at the time of the Director's election to Halliburton's Board and that L. Director undertakes not to stand for reelection or appointment to the boards of directors of those additional companies. In evaluating prospective nominees for the Board and the continued service of current Directors, the Nominating and Corporate Governance Committee will take into consideration the individual's membership on the boards of directors of other companies in order to ensure that such individual's service on such other boards of directors does not impair the individual's ability to devote sufficient time and commitment to serve effectively as a Halliburton Director.

**Diversity:** The Nominating and Corporate Governance Committee is responsible for assessing the appropriate mix of skills and characteristics required of Board members in the context of the needs of the Board at a given point in M. time and shall periodically review and update the criteria as deemed necessary. Personal experience and background, race, gender, age and nationality are reviewed for the Board as a whole, and diversity in these factors may be taken into account in considering individual candidates.

**N. Director Tenure:** The Nominating and Corporate Governance Committee, in consultation with the Chief Executive Officer, will perform an annual review of each Director's continuation on the Board in making its recommendation to the Board concerning his or her nomination for election or reelection as a Director. As a condition to being nominated by the Board for continued service as a Director, each incumbent Director nominee shall sign and deliver to the Board irrevocable letters of resignation, in forms satisfactory to the Board. The first resignation letter is limited to and conditioned on that Director failing to achieve a majority of the votes cast at an election where Directors are elected by majority vote. For any Director nominee who fails to be elected by a

majority of votes cast, where Directors are elected by majority vote, his or her irrevocable letter of resignation will be deemed tendered on the date the election results are certified. Such resignation shall only be effective upon acceptance by the Board. The second resignation letter is limited to and conditioned on the Director being found to have substantially participated in a significant violation of U.S. federal or state law or to have recklessly disregarded his or her duty to exercise reasonable oversight, as more fully described in Halliburton's By-laws. Such resignation shall only be effective upon acceptance by the disinterested members of the Board. Each non-incumbent Director nominee shall agree upon his or her election as a Director to sign and deliver to the Board such irrevocable letters of resignation. Further, the Board shall fill vacancies and new directorships only with candidates who agree to tender the letters of resignation as described above, promptly following their appointment as a Director. The Board's expectation is that any Director whose resignation has been tendered as

[Back to Contents](#)

described in this section will abstain from participation in both the Nominating and Corporate Governance Committee's consideration of the resignation, if they are a member of that committee, and the Board's decision regarding the resignation. There are no term limits on Directors' service, other than mandatory retirement.

**Director Compensation Review:** It is appropriate for executive management of Halliburton, assisted by an independent compensation consultant, to report periodically to the Nominating and Corporate Governance Committee on the status of Halliburton's Director compensation practices in relation to other companies of comparable size and Halliburton's competitors.

**Form and Amount of Director Compensation:** The Nominating and Corporate Governance Committee annually reviews the competitiveness of Halliburton's Director compensation practices. In doing so, the Committee, with the assistance of an independent compensation consultant, compares Halliburton's practices with those of its comparator group, which includes both peer and general industry companies. Specific components reviewed include cash compensation, equity compensation, benefits and perquisites. Information is gathered directly from published proxy statements of comparator group companies. Additionally, the Committee utilizes external market data gathered from a variety of survey sources to serve as a reference point against a broader group of companies. Determinations as to the form and amount of Director compensation are based on Halliburton's competitive position resulting from this review.

**Changes to Director Compensation:** Changes in Director compensation, if any, should come upon the recommendation of the Nominating and Corporate Governance Committee, but with full discussion and concurrence by the Board.

**Annual Meeting Attendance:** It is the policy of the Board that all Directors attend the Annual Meeting of Stockholders, and Halliburton's annual proxy statement shall state the number of Directors who attended the prior year's Annual Meeting.

**Director Retirement:** It is the policy of the Board that each non-management Director shall retire from the Board immediately prior to the annual meeting of stockholders following his or her seventy-second (72<sup>nd</sup>) birthday. Management Directors shall retire at the time of their retirement from employment with Halliburton unless the Board approves continued service as a Director.

### Operation of the Board Meetings

**Executive Sessions:** During each regular Board meeting, the non-management Directors meet in scheduled executive sessions presided over by the Lead Director. During any year, if there exists a non-management Director who is not independent, the independent Directors will meet in at least one executive session presided over by the Lead Director.

**Frequency of Board Meetings:** The Board has five regularly scheduled meetings per year. Special meetings are called as necessary. It is the responsibility of the Directors to attend the meetings.

**Attendance of Non-Directors at Board Meetings:** The Chief Financial Officer and the General Counsel will be present during Board meetings, except where there is a specific reason for one or both of them to be excluded. In addition, the Chairman of the Board may invite one or more members of management to be in regular attendance at Board meetings and may include other officers and employees from time to time as appropriate to the circumstances.

**Board Access to Management:** Directors have open access to Halliburton's management. In addition, members of Halliburton's executive management routinely attend Board and Committee meetings and they and other managers frequently brief the Board and the Committees on particular topics. The Board encourages executive management to bring managers into Board or Committee meetings and other scheduled events who (i) can provide additional insight into matters being considered or (ii) represent managers with future potential whom executive management believe should be given exposure to the members of the Board.

**Board Access to Independent Advisors:** The Board has the authority to retain, set terms of engagement, and dismiss such independent advisors, including legal counsel or other experts, as it deems appropriate, and to approve the fees and expenses of such advisors.

**Conflicts of Interest:** If an actual or potential conflict of interest develops because of significant dealings or competition between Halliburton and a business with which the Director is affiliated, the Director should report the matter immediately to the Chairman of the Board for evaluation by the Board. In the case of a significant conflict, the conflict must be resolved or the Director should resign. If a Director has a personal interest in a matter before the Board, the Director shall disclose the interest to the full Board and excuse him or herself from participation in the discussion and shall not vote on the matter.

**Strategic and Business Planning:** Strategic and business plans will be reviewed annually at one of the Board's regularly scheduled meetings.

**Agenda Items for Board Meetings:** The Chairman of the Board and Chief Executive Officer prepares a draft agenda for each Board meeting and the agenda and meeting schedule are submitted to the Lead Director for approval. The other Board members may suggest items for inclusion on the agenda, and each Director may also raise, at any Board meeting, subjects that are not on the agenda.

**Board/Committee Forward Calendars:** A forward calendar of matters requiring recurring and focused attention by the Board and each Committee will be prepared and distributed prior to the beginning of each calendar year in order to ensure that all required actions are taken in a timely manner and are given adequate consideration. The Board or Committee shall annually review the recurring events calendars and may change or revise them as deemed appropriate.

**Advance Review of Meeting Materials:** In advance of each Board or Committee meeting, a proposed agenda will be distributed to each Director. In addition, to the extent feasible or appropriate, information and data important to the Directors' understanding of the matters to be considered, including background summaries and presentations to be made at the meeting, will be distributed in advance of the meeting. The Lead Director advises management on and approves information distributed to the Directors. Directors also routinely receive monthly financial statements, earnings reports, press releases, analyst reports and other information

**HALLIBURTON** - *2015 Proxy Statement*    A-5

[Back to Contents](#)

designed to keep them informed of the material aspects of Halliburton's business, performance and prospects. It is each Director's responsibility to review the meeting materials and other information provided by Halliburton.

### Committees of the Board

**Number and Types of Committees:** A substantial portion of the analysis and work of the Board is done by A. standing Board Committees. A Director is expected to participate actively in the meetings of each Committee to which he or she is appointed.

**Standing Committees:** The Board has established the following standing Committees: Audit, Compensation, B. Health, Safety and Environment, and Nominating and Corporate Governance. Each Committee's charter is to be reviewed annually by the Committee and the Board.

**Composition of Committees:** It is the policy of the Board that only non-management Directors serve on Board Committees. Further, only independent Directors serve on the Audit, the Compensation, the Nominating and C. Corporate Governance and the Health, Safety and Environment Committees, provided that the Directors may appoint one non-independent Director as a member (but not as the Chairman) of the Health, Safety and Environment Committee as they deem appropriate.

**Interlocking Directorates:** A Director who is or has been within the preceding three years part of an interlocking directorate (*i.e.*, one in which the Chief Executive Officer or another Halliburton officer serves on the compensation D. committee of another entity that employs the Director, or an immediate family member of the Director) may not serve on the Compensation Committee. The composition of the Board Committees will be reviewed annually to ensure that each of its members meet the criteria set forth in applicable SEC, NYSE, and IRS rules and regulations.

**Committee Rotation:** The Nominating and Corporate Governance Committee, in consultation with the Chief Executive Officer, recommends annually to the Board the membership of the various Committees and their E. Chairmen, and the Board approves the Committee assignments. In making its recommendations to the Board, the Nominating and Corporate Governance Committee takes into consideration the need for continuity, subject matter expertise, applicable SEC, IRS, or NYSE requirements, tenure and the desires of individual Board members.

**Frequency and Length of Committee Meetings:** Each Committee shall meet as frequently and for such length of F. time as may be required to carry out its assigned duties and responsibilities. The schedule for regular meetings of the Board and Committees for each year is submitted and approved by the Board in advance. In addition, the Chairman of a Committee may call a special meeting at any time if deemed advisable.

**Committee Agendas/Reports to the Board:** Members of management and staff will prepare draft agenda and related background information for each Committee meeting which, to the extent desired by the relevant G. Committee Chairman, will be reviewed and approved by the Committee Chairman in advance of distribution to the other members of the Committee. A forward calendar of recurring topics to be discussed during the year will be prepared for each Committee and furnished to all Directors. Each Committee member is free to suggest items for inclusion on the agenda and to raise at any Committee meeting subjects that are not on the agenda for that meeting.

Reports on each Committee meeting are made to the full Board. All Directors are furnished copies of each Committee's minutes.

### Other Board Practices

**A. Non-Management Director Orientation and Continuing Education:** An orientation program has been developed for new non-management Directors which includes: comprehensive information about Halliburton's

business and operations; general information about the Board and its Committees, including a summary of Director compensation and benefits; and a review of Director duties and responsibilities. Each non-management Director is required to annually attend at least six hours (or such greater number of hours as best practices suggest are appropriate) of external or internal director continuing education programs, conferences or similar presentations approved (whether before or after the non-management Director's participation) by the Nominating and Corporate Governance Committee. The Nominating and Corporate Governance Committee and management shall identify and communicate external and internal training and educational opportunities for non-management Directors' continuing education in areas of importance to Halliburton, including with respect to duties and responsibilities of directors of publicly traded companies, provided that at least two hours of continuing education shall be devoted to issues relating to health, safety and the environment. Halliburton will provide sufficient internal continuing education programs for the non-management Directors to meet this requirement. Attendance at any approved external program shall count for the requirement, but any associated expenses will be for the account of the individual non-management Director except with prior approval by the Audit Committee.

**Board Interaction with Institutional Investors and Other Stakeholders:** The Board believes that it is executive management's responsibility to speak for Halliburton. Individual Board members may, from time to time, meet or B. otherwise communicate with outside constituencies that are involved with Halliburton. In those instances, however, it is expected that Directors will do so only with the knowledge of executive management and, absent unusual circumstances, only at the request of executive management.

**Stockholder Communications with Directors:** To foster better communication with Halliburton's stockholders, Halliburton established a process for stockholders to communicate with the Audit Committee and the Board. The process has been approved by both the Audit Committee and the Board, and meets the requirements of the NYSE C. and the SEC. The methods of communication with the Board include mail (Board of Directors c/o Director of Business Conduct, Halliburton Company, P.O. Box 42806, Houston, Texas 77242), a dedicated telephone number (888-312-2692 or 770-613-6348) and an e-mail address (BoardofDirectors@halliburton.com). Information regarding these methods of communication is also on Halliburton's website, [www.halliburton.com](http://www.halliburton.com), under "Corporate Governance."



[Back to Contents](#)

Halliburton's Director of Business Conduct, a Company employee, reviews all stockholder communications directed to the Audit Committee and the Board. The Chairman of the Audit Committee is promptly notified of any significant communication involving accounting, internal accounting controls, or auditing matters. The Lead Director is promptly notified of any other significant stockholder communications and communications addressed to a named Director are promptly sent to the Director. A report summarizing all communications is sent to each Director quarterly and copies of communications are available for review by any Director.

**D. Core Values:** The Board is committed to promoting Halliburton's core values.

**Periodic Review of these Guidelines:** The operation of the Board is a dynamic and evolving process. Accordingly, E. the Nominating and Corporate Governance Committee will review these Guidelines periodically and any recommended revisions will be submitted to the full Board for consideration and approval.

Approved as revised:  
Halliburton Company  
Board of Directors  
December 4, 2014  
Supersedes previous version dated January 1, 2013

**HALLIBURTON** - 2015 Proxy Statement    A-7

[Back to Contents](#)

**APPENDIX B**

**Halliburton Company**

**Stock and Incentive Plan**

**as Amended and Restated February 24, 2015**

**I. PURPOSE**

The purpose of the Halliburton Company Stock and Incentive Plan (the “Plan”) is to provide a means whereby Halliburton Company, a Delaware corporation (the “Company”), and its Subsidiaries may attract, motivate and retain highly competent employees and to provide a means whereby selected employees can acquire and maintain stock ownership and receive cash awards, thereby strengthening their concern for the long-term welfare of the Company. The Plan is also intended to provide employees with additional incentive and reward opportunities designed to enhance the profitable growth of the Company over the long term. A further purpose of the Plan is to allow awards under the Plan to Non-employee Directors in order to enhance the Company’s ability to attract and retain highly qualified Directors. Accordingly, the Plan provides for granting Incentive Stock Options, Options which do not constitute Incentive Stock Options, Stock Appreciation Rights, Restricted Stock Awards, Restricted Stock Unit Awards, Performance Awards, Stock Value Equivalent Awards, or any combination of the foregoing, as is best suited to the circumstances of the particular employee or Non-employee Director as provided herein. The Plan was established February 18, 1993 as the Halliburton Company 1993 Stock and Incentive Plan, has been amended from time to time thereafter, and is hereby amended and restated effective as of February 24, 2015.

**II. DEFINITIONS**

The following definitions shall be applicable throughout the Plan unless specifically modified by any paragraph:

- (a) “Award” means, individually or collectively, any Option, Stock Appreciation Right, Restricted Stock Award, Restricted Stock Unit Award, Performance Award or Stock Value Equivalent Award.
- (b) “Award Document” means the relevant award agreement or other document containing the terms and conditions of an Award.
- (c) “Beneficial Owners” shall have the meaning set forth in Rule 13d-3 promulgated under the Exchange Act.
- (d) “Board” means the Board of Directors of Halliburton Company.

“Change of Control Value” means, for the purposes of Paragraph (f) of Article XIII, the amount determined in Clause (i), (ii) or (iii), whichever is applicable, as follows: (i) the per share price offered to stockholders of the Company in any merger, consolidation, sale of assets or dissolution transaction, (ii) the per share price offered to stockholders of the Company in any tender offer or exchange offer whereby a Corporate Change takes place or (iii) (e) if a Corporate Change occurs other than as described in Clause (i) or Clause (ii), the fair market value per share determined by the Committee as of the date determined by the Committee to be the date of cancellation and surrender of an Award. If the consideration offered to stockholders of the Company in any transaction described in this Paragraph (e) consists of anything other than cash, the Committee shall determine the fair cash equivalent of the portion of the consideration offered which is other than cash.

“Code” means the Internal Revenue Code of 1986, as amended. Reference in the Plan to any section of the Code (f) shall be deemed to include any amendments or successor provisions to such section and any regulations under such section.

(g) “Committee” means the committee selected by the Board to administer the Plan in accordance with Paragraph (a) of Article IV of the Plan.

(h) “Common Stock” means the Common Stock, par value \$2.50 per share, of the Company.

(i) “Company” means Halliburton Company, a Delaware corporation.

(j) “Corporate Change” shall conclusively be deemed to have occurred on a Corporate Change Effective Date if an event set forth in any one of the following paragraphs shall have occurred:

(i) any Person is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company (not including in the securities beneficially owned by such Person any securities acquired directly from the Company or its affiliates) representing 20% or more of the combined voting power of the Company’s then outstanding securities; or

(ii) the following individuals cease for any reason to constitute a majority of the number of directors then serving: individuals who, on the date hereof, constitute the Board and any new Director (other than a Director whose initial assumption of office is in connection with an actual or threatened election contest relating to the election of Directors of the Company) whose appointment or election by the Board or nomination for election by the Company’s stockholders was approved or recommended by a vote of at least two-thirds (2/3) of the Directors then still in office who either were Directors on the date hereof or whose appointment, election or nomination for election was previously so approved or recommended; or

(iii) there is consummated a merger or consolidation of the Company or any direct or indirect Subsidiary of the Company with any other corporation, other than (A) a merger or consolidation which would result in the voting securities

Back to Contents

of the Company outstanding immediately prior to such merger or consolidation continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or any parent thereof), in combination with the ownership of any trustee or other fiduciary holding securities under an employee benefit plan of the Company or any Subsidiary of the Company, at least 50% of the combined voting power of the securities of the Company or such surviving entity or any parent thereof outstanding immediately after such merger or consolidation, or (B) a merger or consolidation effected to implement a recapitalization of the Company (or similar transaction) in which no Person is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company (not including in the securities Beneficially Owned by such Person any securities acquired directly from the Company or any of its affiliates other than in connection with the acquisition by the Company or any of its affiliates of a business) representing 20% or more of the combined voting power of the Company's then outstanding securities; or

(iv) the stockholders of the Company approve a plan of complete liquidation or dissolution of the Company or there is consummated an agreement for the sale, disposition, lease or exchange by the Company of all or substantially all of the Company's assets, other than a sale, disposition, lease or exchange by the Company of all or substantially all of the Company's assets to an entity, at least 50% of the combined voting power of the voting securities of which are owned by stockholders of the Company in substantially the same proportions as their ownership of the Company immediately prior to such sale.

Notwithstanding the foregoing, a "Corporate Change" shall not be deemed to have occurred by virtue of the consummation of any transaction or series of integrated transactions immediately following which the record holders of the Common Stock of the Company immediately prior to such transaction or series of transactions continue to have substantially the same proportionate ownership in an entity which owns all or substantially all of the assets of the Company immediately following such transaction or series of transactions.

(k) "Corporate Change Effective Date" shall mean:

- (i) the first date that the direct or indirect ownership of 20% or more combined voting power of the Company's outstanding securities results in a Corporate Change as described in clause (i) of such definition above; or
- (ii) the date of the election of Directors that results in a Corporate Change as described in clause (ii) of such definition; or
- (iii) the date of the merger or consideration that results in a Corporate Change as described in clause (iii) of such definition; or
- (iv) the date of stockholder approval that results in a Corporate Change as described in clause (iv) of such definition.

(l) "Exchange Act" means the Securities Exchange Act of 1934, as amended.

(m) "Fair Market Value" means, as of any specified date, the closing price of the Common Stock on the New York Stock Exchange (or, if the Common Stock is not then listed on such exchange, such other national securities exchange on which the Common Stock is then listed) on that date, or if no prices are reported on that date, on the last preceding date on which such prices of the Common Stock are so reported or, in the sole discretion of the Committee for purposes of determining the Fair Market Value of the Common Stock at the time of exercise of an Option or a Stock Appreciation Right, such Fair Market Value shall be the prevailing price of the Common Stock

as of the time of exercise. If the Common Stock is not then listed or quoted on any national securities exchange but is traded over the counter at the time a determination of its Fair Market Value is required to be made hereunder, its Fair Market Value shall be deemed to be equal to the average between the reported high and low sales prices of Common Stock on the most recent date on which Common Stock was publicly traded. If the Common Stock is not publicly traded at the time a determination of its value is required to be made hereunder, the determination of its Fair Market Value shall be made by the Committee in such manner as it deems appropriate.

- (n) “Holder” means an employee or Non-employee Director of the Company who has been granted an Award.
- (o) “Immediate Family” means, with respect to a particular Holder, the Holder’s spouse, parent, brother, sister, children and grandchildren (including adopted and step children and grandchildren).
- (p) “Incentive Stock Option” means an Option within the meaning of Section 422 of the Code.  
  
“Minimum Criteria” means a Restriction Period that is not less than three (3) years from the date of grant of an Option, a Stock Appreciation Right, a Restricted Stock Award or a Restricted Stock Unit Award; provided that the vesting of an Award or the lapse of restrictions on shares applicable to an Award in equal installments over a period of at least three (3) years from the date of grant shall be deemed to meet the Minimum Criteria.
- (q) “Non-employee Director” means a member of the Board who is not an employee or former employee of the Company or its Subsidiaries.  
  
“Option” means an Award granted under Article VII of the Plan and includes both Incentive Stock Options to purchase Common Stock and Options which do not constitute Incentive Stock Options to purchase Common Stock.
- (r) “Option Agreement” means a written agreement between the Company and a Holder with respect to an Option.
- (s) “Optionee” means a Holder who has been granted an Option.
- (t) “Parent Corporation” shall have the meaning set forth in Section 424(e) of the Code.
- (u) “Performance Award” means an Award granted under Article XI of the Plan.  
  
“Person” shall have the meaning given in Section 3(a)(9) of the Exchange Act, as modified and used in Sections 13(d) and 14(d) thereof, except that such term shall not include (i) the Company or any of its Subsidiaries, (ii) a trustee or other fiduciary holding securities under an employee benefit plan of the Company or any of its affiliates, (iii) an underwriter temporarily holding securities pursuant to an offering of such securities, or (iv) a corporation owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of stock of the Company.
- (v) “Person” shall have the meaning given in Section 3(a)(9) of the Exchange Act, as modified and used in Sections 13(d) and 14(d) thereof, except that such term shall not include (i) the Company or any of its Subsidiaries, (ii) a trustee or other fiduciary holding securities under an employee benefit plan of the Company or any of its affiliates, (iii) an underwriter temporarily holding securities pursuant to an offering of such securities, or (iv) a corporation owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of stock of the Company.
- (x)

Back to Contents

- (y) “Plan” means the Halliburton Company Stock and Incentive Plan, as amended and restated.
- (z) “Restricted Stock Award” means an Award granted under Article IX of the Plan.
- (aa) “Restricted Stock Award Agreement” means a written agreement between the Company and a Holder with respect to a Restricted Stock Award.
- “Restricted Stock Unit” means a unit evidencing the right to receive one share of Common Stock or an equivalent value equal to the Fair Market Value of a share of Common Stock (as determined by the Committee) that is restricted or subject to forfeiture provisions.
- (bb)
- (cc) “Restricted Stock Unit Award” means as Award granted under Article X of the Plan.
- (dd) “Restricted Stock Unit Award Agreement” means a written agreement between the Company and a Holder with respect to a Restricted Stock Unit Award.
- “Restriction Period” means a period of time beginning as of the date upon which an Option, a Stock Appreciation Right, a Restricted Stock Award or a Restricted Stock Unit Award is made pursuant to the Plan and ending as of the date upon which all or a portion of the Option or Stock Appreciation Right becomes exercisable or the Common Stock subject to a Restricted Stock Award or a Restricted Stock Unit Award is issued (if not previously issued), no longer restricted or subject to forfeiture provisions.
- (ee)
- “Spread” means, in the case of a Stock Appreciation Right, an amount equal to the excess, if any, of the Fair Market Value of a share of Common Stock on the date such right is exercised over the exercise price of such Stock Appreciation Right.
- (ff)
- (gg) “Stock Appreciation Right” means an Award granted under Article VIII of the Plan.
- (hh) “Stock Appreciation Rights Agreement” means a written agreement between the Company and a Holder with respect to an Award of Stock Appreciation Rights.
- (ii) “Stock Value Equivalent Award” means an Award granted under Article XII of the Plan.
- “Subsidiary” means a company (whether a corporation, partnership, joint venture or other form of entity) in which the Company or a corporation in which the Company owns a majority of the shares of capital stock, directly or indirectly, owns a greater than 20% equity interest, except that with respect to the issuance of Incentive Stock Options the term “Subsidiary” shall have the same meaning as the term “subsidiary corporation” as defined in Section 424(f) of the Code.
- (jj)
- (kk) “Successor Holder” shall have the meaning given such term in Paragraph (f) of Article XV.

### **III. EFFECTIVE DATE AND DURATION OF THE PLAN**

The Plan as amended and restated herein was adopted by the Board on February 24, 2015, subject to approval by the Company’s stockholders. Subject to the provisions of Article XIII, the Plan shall remain in effect until all Options and Stock Appreciation Rights granted under the Plan have been exercised or expired by reason of lapse of time, all restrictions imposed upon Restricted Stock Awards and Restricted Stock Unit Awards have lapsed and all

Performance Awards and Stock Value Equivalent Awards have been satisfied.

#### IV. ADMINISTRATION

- (a) Composition of Committee: The Plan shall be administered by a Committee of Directors of the Company which shall be appointed by the Board.

Powers: The Committee shall have authority, in its discretion, to determine which eligible individuals shall receive an Award, the time or times when such Award shall be made, whether an Incentive Stock Option, nonqualified Option or Stock Appreciation Right shall be granted, the number of shares of Common Stock which may be issued under each Option, Stock Appreciation Right, Restricted Stock Award and Restricted Stock Unit Award, and the value of each Performance Award and Stock Value Equivalent Award. The Committee shall have the authority, in its discretion, to establish the terms and conditions applicable to any Award, subject to any specific limitations or provisions of the Plan. In making such determinations the Committee may take into account the nature of the services rendered by the respective individuals, their responsibility level, their present and potential contribution to the Company's success and such other factors as the Committee in its discretion shall deem relevant.

(b) Notwithstanding any provision of the Plan to the contrary, the Committee may provide for the acceleration of vesting or exercisability of an Award upon a Corporate Change, upon a termination of employment or service by reason of death, disability, retirement or otherwise or for any other reason.

Additional Powers. The Committee shall have such additional powers as are delegated to it by the other provisions of the Plan. Subject to the express provisions of the Plan, the Committee is authorized to construe the Plan and the respective Award Documents executed thereunder, to prescribe such rules and regulations relating to the Plan as it may deem advisable to carry out the Plan, and to determine the terms, restrictions and provisions of each Award, including such terms, restrictions and provisions as shall be requisite in the judgment of the Committee to cause designated Options to qualify as Incentive Stock Options, and to make all other determinations necessary or advisable for administering the Plan. The Committee may correct any defect or supply any omission or reconcile any inconsistency in any Award Document relating to an Award in the manner and to the extent the Committee shall deem expedient to carry the Award into effect. The determinations of the Committee on the matters referred to in this Article IV shall be conclusive.

(c)

Delegation of Authority. The Committee may delegate some or all of its power to the Chief Executive Officer of the Company as the Committee deems appropriate; provided, however, that (i) the Committee may not delegate its power with regard to the grant of an Award to any person who is a "covered employee" within the meaning of Section 162(m) of the Code or who, in the Committee's judgment, is likely to be a covered employee at any time during the period an Award to such employee would be outstanding; (ii) the Committee may not delegate its power with regard to the selection for participation in the Plan of an officer or other person subject to Section 16 of the Exchange Act or decisions concerning the timing, pricing or amount of an Award to such an officer or other person and (iii) any delegation of the power to grant Awards shall be permitted by applicable law.

(d)

(e) Engagement of an Agent. The Company may, in its discretion, engage an agent to (i) maintain records of Awards and Holders' holdings under the Plan, (ii) execute sales transactions in shares

Back to Contents

of Common Stock at the direction of Holders, (iii) deliver sales proceeds as directed by Holders, and (iv) hold shares of Common Stock owned without restriction by Holders, including shares of Common Stock previously obtained through the Plan that are transferred to the agent by Holders at their discretion. Except to the extent otherwise agreed by the Company and the agent, when an individual loses his or her status as an employee or Non employee Director of the Company, the agent shall have no obligation to provide any further services to such person and the shares of Common Stock previously held by the agent under the Plan may be distributed to the person or his or her legal representative.

**V. GRANT OF OPTIONS, STOCK APPRECIATION RIGHTS, RESTRICTED STOCK AWARDS, RESTRICTED STOCK UNIT AWARDS, PERFORMANCE AWARDS AND STOCK VALUE EQUIVALENT AWARDS; SHARES SUBJECT TO THE PLAN**

- Award Limits. The Committee may from time to time grant Awards to one or more individuals determined by it to be eligible for participation in the Plan in accordance with the provisions of Article VI. The aggregate number of shares of Common Stock that may be issued under the Plan shall not exceed 28,966,834 shares, all of which shall be available for Awards of Incentive Stock Options. Shares issued as Restricted Stock Awards, Restricted Stock Unit Awards or pursuant to Performance Awards will count against the shares available for issuance under the Plan as 1.60 shares for every 1 share issued in connection with the Award. Notwithstanding anything contained herein to the contrary, the number of Option shares or Stock Appreciation Rights, singly or in combination, together with shares or share equivalents under Performance Awards granted to any Holder in any one calendar year, shall not in the aggregate exceed 1,000,000. The cash value determined as of the date of grant of any Performance Award not denominated in Common Stock granted to any Holder in any one calendar year shall not exceed \$30,000,000. Any shares which remain unissued and which are not subject to outstanding Options or Awards at the termination of the Plan shall cease to be subject to the Plan, but, until termination of the Plan, the Company shall at all times reserve a sufficient number of shares to meet the requirements of the Plan. If Awards are forfeited or are terminated for any other reason before being exercised or settled, then the shares underlying such Awards shall again become
- (a) available for Awards under the Plan. Notwithstanding the foregoing, the following shares shall not become available for Awards under the Plan: (i) shares tendered by an Optionee or withheld by the Company for payment of an option price, (ii) shares tendered by a Holder or withheld by the Company to satisfy the Company's tax withholding obligation in connection with an Award, (iii) shares reacquired in the open market or otherwise using cash proceeds from the exercise of Options, and (iv) shares that are not issued to a Holder due to a net settlement of an Award. For purposes of clarity, Stock Appreciation Rights and Options shall be counted in full against the number of shares available for issuance under the Plan, regardless of the number of shares issued upon settlement of the Stock Appreciation Rights and Options. The aggregate number of shares which may be issued under the Plan shall be subject to adjustment in the same manner as provided in Article XIII with respect to shares of Common Stock subject to Options then outstanding. The 1,000,000-share limit on Stock Options and Stock Appreciation Rights Awards, singly or in combination, together with shares or share equivalents under Performance Awards granted to any Holder in any calendar year shall be subject to adjustment in the same manner as provided in Article XIII. Separate stock certificates shall be issued by the Company for those shares acquired pursuant to the exercise of an Incentive Stock Option and for those shares acquired pursuant to the exercise of any Option which does not constitute an Incentive Stock Option.
- (b) Stock Offered. The stock to be offered pursuant to the grant of an Award may be authorized but unissued Common Stock or Common Stock previously issued and reacquired by the Company.

**VI. ELIGIBILITY**



Only employees of the Company or any Parent Corporation or Subsidiary of the Company and Non-employee Directors shall be eligible for Awards under the Plan as determined by the Committee in its sole discretion. Each Award shall be evidenced in such manner and form as may be prescribed by the Committee.

## VII. STOCK OPTIONS

Stock Option Agreement. Each Option shall be evidenced by an Option Agreement between the Company and the Optionee which shall contain such terms and conditions as may be approved by the Committee. The terms and conditions of the respective Option Agreements need not be identical. Specifically, an Option Agreement may provide for the payment of the option price, in whole or in part, by the delivery of a number of shares of Common Stock (plus cash if necessary) having a Fair Market Value equal to such option price.

Restriction Period To Be Established by the Committee. The Committee shall establish the Restriction Period applicable to an Option; provided, however, that such Restriction Period shall not be less than the Minimum Criteria.

Option Period. The term of each Option shall be as specified by the Committee at the date of grant; provided that, in no case, shall the term of an Option exceed ten (10) years.

Limitations on Exercise of Option. An Option shall be exercisable in whole or in such installments and at such times as determined by the Committee.

Option Price. The purchase price of Common Stock issued under each Option shall be determined by the Committee, but such purchase price shall not be less than the Fair Market Value of Common Stock subject to the Option on the date the Option is granted.

Options and Rights in Substitution for Stock Options Granted by Other Corporations. Options and Stock Appreciation Rights may be granted under the Plan from time to time in substitution for stock options held by employees of corporations who become, or who became prior to the effective date of the Plan, employees of the Company or of any Subsidiary as a result of a merger or consolidation of the employing corporation with the Company or such Subsidiary, or the acquisition by the Company or a Subsidiary of all or a portion of the assets of the employing corporation, or the acquisition by the Company or a Subsidiary of stock of the employing corporation with the result that such employing corporation becomes a Subsidiary.

Repricing Prohibited. Except for adjustments pursuant to Article XIII, the purchase price of Common Stock for any outstanding Option granted under the Plan may not be decreased after the date of grant nor may an outstanding Option granted under the Plan be

Back to Contents

surrendered to the Company as consideration for the grant of a new Option with a lower purchase price, cash or a new Award unless there is prior approval by the Company stockholders. Any other action that is deemed to be a repricing under any applicable rule of the New York Stock Exchange shall be prohibited unless there is prior approval by the Company stockholders.

## VIII. STOCK APPRECIATION RIGHTS

Stock Appreciation Rights. A Stock Appreciation Right is the right to receive an amount equal to the Spread with respect to a share of Common Stock upon the exercise of such Stock Appreciation Right. Stock Appreciation Rights may be granted in connection with the grant of an Option, in which case the Option Agreement will provide that exercise of Stock Appreciation Rights will result in the surrender of the right to purchase the shares under the Option as to which the Stock Appreciation Rights were exercised. Alternatively, Stock Appreciation Rights may be (a) granted independently of Options in which case each Award of Stock Appreciation Rights shall be evidenced by a Stock Appreciation Rights Agreement between the Company and the Holder which shall contain such terms and conditions as may be approved by the Committee. The terms and conditions of the respective Stock Appreciation Rights Agreements need not be identical. The Spread with respect to a Stock Appreciation Right may be payable either in cash, shares of Common Stock with a Fair Market Value equal to the Spread or in a combination of cash and shares of Common Stock as determined by the Committee in its sole discretion.

Restriction Period To Be Established by the Committee. The Committee shall establish the Restriction Period (b) applicable to a Stock Appreciation Right; provided, however, that such Restriction Period shall not be less than the Minimum Criteria.

Exercise Price. The exercise price of each Stock Appreciation Right shall be determined by the Committee, but (c) such exercise price shall not be less than the Fair Market Value of a share of Common Stock on the date the Stock Appreciation Right is granted.

Exercise Period. The term of each Stock Appreciation Right shall be as specified by the Committee at the date of (d) grant; provided that, in no case, shall the term of a Stock Appreciation Right exceed ten (10) years.

(e) Limitations on Exercise of Stock Appreciation Right. A Stock Appreciation Right shall be exercisable in whole or in such installments and at such times as determined by the Committee.

Repricing Prohibited. Except for adjustments pursuant to Article XIII, the exercise price of a Stock Appreciation Right may not be decreased after the date of grant nor may an outstanding Stock Appreciation Right granted under (f) the Plan be surrendered to the Company as consideration for the grant of a new Stock Appreciation Right with a lower exercise price, cash or a new Award unless there is prior approval by the Company stockholders. Any other action that is deemed to be a repricing under any applicable rule of the New York Stock Exchange shall be prohibited unless there is prior approval by the Company stockholders.

## IX. RESTRICTED STOCK AWARDS

(a) Restriction Period To Be Established by the Committee. The Committee shall establish the Restriction Period applicable to Restricted Stock Awards; provided, however, that such Restriction Period shall not be less than the

Minimum Criteria.

Other Terms and Conditions. Common Stock awarded pursuant to a Restricted Stock Award shall be represented by a stock certificate registered in the name of the Holder of such Restricted Stock Award or, at the option of the Company, in the name of a nominee of the Company. The Holder shall have the right to receive dividends during the Restriction Period, to vote the Common Stock subject thereto and to enjoy all other stockholder rights, except that (i) the Holder shall not be entitled to possession of the stock certificate until the Restriction Period shall have (b) expired, (ii) the Company shall retain custody of the stock during the Restriction Period, (iii) the Holder may not sell, transfer, pledge, exchange, hypothecate or otherwise dispose of the stock during the Restriction Period, and (iv) a breach of the terms and conditions established by the Committee pursuant to the Restricted Stock Award shall cause a forfeiture of the Restricted Stock Award. The Committee may, in its sole discretion, prescribe additional terms, conditions or restrictions relating to Restricted Stock Awards as shall be set forth in a Restricted Stock Award Agreement.

Payment for Restricted Stock. A Holder shall not be required to make any payment for Common Stock received pursuant to a Restricted Stock Award, except to the extent otherwise required by law and except that the (c) Committee may, in its discretion, charge the Holder an amount in cash not in excess of the par value of the shares of Common Stock issued under the Plan to the Holder.

Miscellaneous. Nothing in this Article shall prohibit the exchange of shares issued under the Plan (whether or not then subject to a Restricted Stock Award) pursuant to a plan of reorganization for stock or securities in the Company or another corporation a party to the reorganization, but the stock or securities so received for shares then (d) subject to the restrictions of a Restricted Stock Award shall become subject to the restrictions of such Restricted Stock Award. Any shares of stock received as a result of a stock split or stock dividend with respect to shares then subject to a Restricted Stock Award shall also become subject to the restrictions of the Restricted Stock Award.

## **X. RESTRICTED STOCK UNIT AWARDS**

Restriction Period To Be Established by the Committee. The Committee shall establish the Restriction Period (a) applicable to such Award; provided, however, that such Restriction Period shall not be less than the Minimum Criteria.

Other Terms and Conditions. The Committee may, in its sole discretion, prescribe additional terms, conditions or restrictions relating to the Restricted Stock Unit Award as shall be set forth in a Restricted Stock Unit Award Agreement. Cash dividend equivalents may be converted into additional Restricted Stock Units or may be paid (b) during, or may be accumulated and paid at the end of, the Restriction Period with respect to a Restricted Stock Unit Award, as determined by the Committee. The Committee, in its sole discretion, may provide for the deferral of a Restricted Stock Unit Award.

Payment for Restricted Stock Unit. A Holder shall not be required to make any payment for Common Stock received pursuant to a Restricted Stock Unit Award, except to the extent otherwise required by law and except that (c) the Committee may, in its discretion, charge the Holder an amount in cash not in excess of the par value of the shares of Common Stock issued under the Plan to the Holder.

Back to Contents

Restricted Stock Units in Substitution for Units Granted by Other Corporations. Restricted Stock Unit Awards may be granted under the Plan from time to time in substitution for restricted stock units held by employees of corporations who become, or who became prior to the effective date of the Plan, employees of the Company or of (d) any Subsidiary as a result of a merger or consolidation of the employing corporation with the Company or such Subsidiary, or the acquisition by the Company or a Subsidiary of all or a portion of the assets of the employing corporation, or the acquisition by the Company or a Subsidiary of stock of the employing corporation with the result that such employing corporation becomes a Subsidiary.

**XI. PERFORMANCE AWARDS**

Performance Period. The Committee shall establish, with respect to and at the time of each Performance Award, a (a) performance period over which the performance applicable to the Performance Award of the Holder shall be measured.

(b) Performance Awards. Each Performance Award may have a maximum value established by the Committee at the time of such Award.

Performance Measures. A Performance Award granted under the Plan that is intended to qualify as qualified performance-based compensation under Section 162(m) of the Code shall be awarded contingent upon the achievement of one or more performance measures. The performance criteria for Performance Awards shall consist of objective tests based on the following: earnings, cash flow, cash value added performance, stockholder return and/or value, revenues, operating profits (including EBITDA), net profits, earnings per share, stock price, cost reduction goals, debt to capital ratio, financial return ratios, profit return and margins, market share, working (c) capital and customer satisfaction. The Committee may select one criterion or multiple criteria for measuring performance. Performance criteria may be measured on corporate, subsidiary or business unit performance, or on a combination thereof. Further, the performance criteria may be based on comparative performance with other companies or other external measure of the selected performance criteria. A Performance Award that is not intended to qualify as qualified performance-based compensation under Section 162(m) of the Code shall be based on achievement of such goals and be subject to such terms, conditions and restrictions as the Committee or its delegate shall determine.

Payment. Following the end of the performance period, the Holder of a Performance Award shall be entitled to receive payment of an amount, not exceeding the maximum value of the Performance Award, if any, based on the achievement of the performance measures for such performance period, as determined by the Committee in its sole (d) discretion. Payment of a Performance Award (i) may be made in cash, Common Stock or a combination thereof, as determined by the Committee in its sole discretion, (ii) shall be made in a lump sum or in installments as prescribed by the Committee in its sole discretion, and (iii) to the extent applicable, shall be based on the Fair Market Value of the Common Stock on the payment date.

(e) Termination of Service. The Committee shall determine the effect of termination of service during the performance period on a Holder's Performance Award.

**XII. STOCK VALUE EQUIVALENT AWARDS**

Stock Value Equivalent Awards. Stock Value Equivalent Awards are rights to receive an amount equal to the Fair Market Value of shares of Common Stock or rights to receive an amount equal to any appreciation or increase in the Fair Market Value of Common Stock over a specified period of time, which vest over a period of time as (a) established by the Committee, without payment of any amounts by the Holder thereof (except to the extent otherwise required by law) or satisfaction of any performance criteria or objectives. Each Stock Value Equivalent Award may have a maximum value established by the Committee at the time of such Award.

- (b) Award Period. The Committee shall establish a period over which each Stock Value Equivalent Award shall vest with respect to the Holder.

Payment. Following the end of the determined period for a Stock Value Equivalent Award, the Holder of a Stock Value Equivalent Award shall be entitled to receive payment of an amount, not exceeding the maximum value of the Stock Value Equivalent Award, if any, based on the then vested value of the Award. Payment of a Stock Value Equivalent Award (i) shall be made in cash, (ii) shall be made in a lump sum or in installments as prescribed by the Committee in its sole discretion, and (iii) shall be based on the Fair Market Value of the Common Stock on the payment date. Cash dividend equivalents may be paid during, or may be accumulated and paid at the end of, the determined period with respect to a Stock Value Equivalent Award, as determined by the Committee.

- (d) Termination of Service. The Committee shall determine the effect of termination of service during the applicable vesting period on a Holder's Stock Value Equivalent Award.

### **XIII. RECAPITALIZATION OR REORGANIZATION**

- (a) Except as hereinafter otherwise provided, in the event of any recapitalization, reorganization, merger, consolidation, combination, exchange, stock dividend, stock split, extraordinary dividend or divestiture (including a spin-off) or any other change in the corporate structure or shares of Common Stock occurring after the date of the grant of an Award, the Committee shall, in its discretion, make such adjustment as to the number and price of shares of Common Stock or other consideration subject to such Awards as the Committee shall deem appropriate in order to prevent dilution or enlargement of rights of the Holders.

- (b) The existence of the Plan and the Awards granted hereunder shall not affect in any way the right or power of the Board or the stockholders of the Company to make or authorize any adjustment, recapitalization, reorganization or other change in the Company's capital structure or its business, any merger or consolidation of the Company, any issue of debt or equity securities having any priority or preference with respect to or affecting Common Stock or the rights thereof, the dissolution or liquidation of the Company or any sale, lease, exchange or other disposition of all or any part of its assets or business or any other corporate act or proceeding.

- (c) The shares with respect to which Options, Stock Appreciation Rights or Restricted Stock Units may be granted are shares of Common Stock as presently constituted, but if, and whenever, prior to the expiration of an Option, Stock Appreciation Rights or Restricted Stock Unit Award, the Company shall effect a

Back to Contents

subdivision or consolidation of shares of Common Stock or the payment of a stock dividend on Common Stock without receipt of consideration by the Company, the number of shares of Common Stock with respect to which such Award relates or may thereafter be exercised (i) in the event of an increase in the number of outstanding shares shall be proportionately increased, and, as applicable, the purchase price per share shall be proportionately reduced, and (ii) in the event of a reduction in the number of outstanding shares shall be proportionately reduced, and, as applicable, the purchase price per share shall be proportionately increased.

- (d) If the Company recapitalizes or otherwise changes its capital structure, thereafter upon any exercise of an Option or Stock Appreciation Right or payment in settlement of a Restricted Stock Unit Award theretofore granted, the Holder shall be entitled to purchase or receive, as applicable, under such Award, in lieu of the number of shares of Common Stock as to which such Award relates or shall then be exercisable, the number and class of shares of stock and securities and the cash and other property to which the Holder would have been entitled pursuant to the terms of the recapitalization if, immediately prior to such recapitalization, the Holder had been the holder of record of the number of shares of Common Stock then covered by such Award.

- (e) Notwithstanding any provisions of the Plan to the contrary, in the event of a Corporate Change, unless an Award Document otherwise provides, as of the Corporate Change Effective Date (i) any outstanding Options and Stock Appreciation Rights shall become immediately vested and fully exercisable, (ii) any restrictions on Restricted Stock Awards or Restricted Stock Unit Awards shall immediately lapse, (iii) all performance measures upon which an outstanding Performance Award is contingent shall be deemed achieved and the Holder shall receive a payment equal to the maximum amount of the Award he or she would have been entitled to receive, prorated to the Corporate Change Effective Date, and (iv) any outstanding cash Awards including Stock Value Equivalent Awards shall immediately vest and be paid based on the vested value of the Award.

- (f) Notwithstanding any provisions of the Plan to the contrary, in the relevant Award Document, the Committee may provide that, no later than two (2) business days prior to any Corporate Change referenced in Clause (ii), (iii) or (iv) of the definition thereof or ten (10) business days after any Corporate Change referenced in Clause (i) of the definition thereof, the Committee may, in its sole discretion, (i) require the mandatory surrender to the Company by selected Optionees of some or all of the outstanding Options held by such Optionees (irrespective of whether such Options are then exercisable under the provisions of the Plan) as of a date (before or after a Corporate Change) specified by the Committee, in which event the Committee shall thereupon cancel such Options and pay to each Optionee an amount of cash per share equal to the excess, if any, of the Change of Control Value of the shares subject to such Option over the exercise price(s) under such Options for such shares, (ii) require the mandatory surrender to the Company by selected Holders of Stock Appreciation Rights of some or all of the outstanding Stock Appreciation Rights held by such Holders (irrespective of whether such Stock Appreciation Rights are then exercisable under the provisions of the Plan) as of a date (before or after a Corporate Change) specified by the Committee, in which event the Committee shall thereupon cancel such Stock Appreciation Rights and pay to each Holder an amount of cash equal to the Spread with respect to such Stock Appreciation Rights with the Fair Market Value of the Common Stock at such time to be deemed to be the Change of Control Value, or (iii) require the mandatory surrender to the Company by selected Holders of Restricted Stock Awards, Restricted Stock Unit Awards or Performance Awards of some or all of the outstanding Awards held by such Holder (irrespective of whether such Awards are vested under the provisions of the Plan) as of a date (before or after a Corporate Change) specified by the Committee, in which event the Committee shall thereupon cancel such Awards and pay to each Holder an amount of cash equal to the Change of Control Value of the shares, if the Award is denominated in Common Stock, or an amount of cash determined in the manner set forth in the Performance Award, if the Performance Award is not denominated in Common

Stock.

- (g) Except as hereinbefore expressly provided, the issuance by the Company of shares of stock of any class or securities convertible into shares of stock of any class, for cash, property, labor or services, upon direct sale, upon the exercise of rights or warrants to subscribe therefor, or upon conversion of shares or obligations of the Company convertible into such shares or other securities, and in any case whether or not for fair value, shall not affect, and no adjustment by reason thereof shall be made with respect to, the number of shares of Common Stock subject to Awards theretofore granted, the purchase price per share of Common Stock subject to Options or the calculation of the Spread with respect to Stock Appreciation Rights.
- (h) Notwithstanding the foregoing, the provisions of this Article XIII shall be administered in accordance with Section 409A of the Code to the extent required to avoid the taxes imposed thereunder.

#### **XIV. AMENDMENT OR TERMINATION OF THE PLAN**

The Board in its discretion may terminate the Plan or alter or amend the Plan or any part thereof from time to time; provided that no change in any Award theretofore granted may be made which would impair the rights of the Holder without the consent of the Holder, and provided, further, that the Board may not, without approval of the stockholders, amend the Plan to effect a “material revision” of the Plan, where a “material revision” includes, but is not limited to, a revision that: (a) materially increases the benefits accruing to a Holder under the Plan, (b) materially increases the aggregate number of securities that may be issued under the Plan, (c) materially modifies the requirements as to eligibility for participation in the Plan, or (d) changes the types of awards available under the Plan.

#### **XV. OTHER**

*No Right To An Award.* Neither the adoption of the Plan nor any action of the Board or of the Committee shall be deemed to give an employee or a non-employee Director any right to be granted an Option, a Stock Appreciation (a) Right, a right to a Restricted Stock Award, Restricted Stock Unit Award, Performance Award or Stock Value Equivalent Award or any other rights hereunder except as may be evidenced by an Award or by an Option or Stock Appreciation Agreement duly executed on behalf of the Company, and then only to the extent of and on the terms

Back to Contents

and conditions expressly set forth therein. The Plan shall be unfunded. The Company shall not be required to establish any special or separate fund or to make any other segregation of funds or assets to assure the payment of any Award.

(b) *No Employment Rights Conferred.* Nothing contained in the Plan or in any Award made hereunder shall:

- (i) confer upon any employee any right to continuation of employment with the Company or any Subsidiary; or
- (ii) interfere in any way with the right of the Company or any Subsidiary to terminate his or her employment at any time.

(c) *No Rights to Serve as a Director Conferred.* Nothing contained in the Plan or in any Award made hereunder shall confer upon any Director any right to continue their position as a Director of the Company.

*Other Laws; Withholding.* The Company shall not be obligated to issue any Common Stock pursuant to any Award granted under the Plan at any time when the offering of the shares covered by such Award has not been registered under the Securities Act of 1933 and such other state, federal or foreign laws, rules or regulations as the Company or the Committee deems applicable and, in the opinion of legal counsel for the Company, there is no exemption from the registration requirements of such laws, rules or regulations available for the issuance and sale of such shares. No fractional shares of Common Stock shall be delivered, nor shall any cash in lieu of fractional shares be paid. The Company shall have the right to deduct in connection with all Awards any taxes required by law to be withheld and to require any payments necessary to enable it to satisfy its withholding obligations. The Committee may permit the Holder of an Award to elect to surrender, or authorize the Company to withhold, shares of Common Stock (valued at their Fair Market Value on the date of surrender or withholding of such shares) in satisfaction of the Company's withholding obligation, subject to such restrictions as the Committee deems appropriate.

(e) *No Restriction on Corporate Action.* Nothing contained in the Plan shall be construed to prevent the Company or any Subsidiary from taking any corporate action which is deemed by the Company or such Subsidiary to be appropriate or in its best interest, whether or not such action would have an adverse effect on the Plan or any Award made under the Plan. No Holder, beneficiary or other person shall have any claim against the Company or any Subsidiary as a result of any such action.

(f) *Restrictions on Transfer.* Except as otherwise provided herein, an Award shall not be sold, transferred, pledged, assigned or otherwise alienated or hypothecated by a Holder other than by will or the laws of descent and distribution or pursuant to an order similar to a "qualified domestic relations order" as defined by the Code or Title I of the Employee Retirement Income Security Act of 1974, as amended, and shall be exercisable during the lifetime of the Holder only by such Holder, the Holder's guardian or legal representative, a transferee under an order similar to a qualified domestic relations order or a transferee as described below. The Committee may prescribe and include in the respective Award Documents hereunder other restrictions on transfer. Any attempted assignment or transfer in violation of this section shall be null and void. Upon a Holder's death, the Holder's personal representative or other person entitled to succeed to the rights of the Holder (the "Successor Holder") may exercise such rights as are provided under the applicable Award Document. A Successor Holder must furnish proof satisfactory to the Company of his or her rights to exercise the Award under the Holder's will or under the applicable laws of descent and distribution. Notwithstanding the foregoing, the Committee shall have the authority, in its discretion, to grant (or to sanction by way of amendment to an existing grant) Awards (other than Incentive Stock Options) which may be transferred by the Holder for no consideration to or for the benefit of the Holder's Immediate Family, to a trust solely for the benefit of the Holder and his Immediate Family, or to a partnership or



limited liability company in which the Holder and members of his Immediate Family have at least 99% of the equity, profit and loss interest, in which case the Award Document shall so state. A transfer of an Award pursuant to this Paragraph (f) shall be subject to such rules and procedures as the Committee may establish. In the event an Award is transferred as contemplated in this Paragraph (f), such Award may not be subsequently transferred by the transferee except by will or the laws of descent and distribution, and such Award shall continue to be governed by and subject to the terms and limitations of the Plan and the relevant written instrument for the Award and the transferee shall be entitled to the same rights as the Holder under Articles XIII and XIV hereof as if no transfer had taken place. No transfer shall be effective unless and until written notice of such transfer is provided to the Committee, in the form and manner prescribed by the Committee. The consequences of termination of employment shall continue to be applied with respect to the original Holder, following which the Awards shall be exercised by the transferee only to the extent and for the periods specified in the Plan and the related Award Document. The Option Agreement, Stock Appreciation Rights Agreement, Restricted Stock Award Agreement, Restricted Stock Unit Award Agreement or other Award Document shall specify the effect of the death of the Holder on the Award.

*Governing Law.* This Plan shall be construed in accordance with the laws of the State of Texas, except to the extent (g) that it implicates matters which are the subject of the General Corporation Law of the State of Delaware which matters shall be governed by the latter law.

*Foreign Awardees.* Without amending the Plan, the Committee may grant Awards to eligible persons who are foreign nationals on such terms and conditions different from those specified in the Plan as may, in the judgment of the Committee, be necessary or desirable to foster and promote achievement of the purposes of the Plan and, in (h) furtherance of such purposes, the Committee may make such modifications, amendments, procedures, subplans and the like as may be necessary or advisable to comply with the provisions of laws and regulations in other countries or jurisdictions in which the Company or its Subsidiaries operate.

*Clawback or Recoupment.* Notwithstanding any other provisions in this Plan, any Award shall be subject to (i) clawback, recovery or recoupment by the Company under any clawback or recoupment policy adopted by the Company, whether before or after the date of grant of the Award.

[Back to Contents](#)

## APPENDIX C

### **Halliburton Company Employee Stock Purchase Plan as Amended and Restated February 24, 2015**

*Purpose.* The HALLIBURTON COMPANY EMPLOYEE STOCK PURCHASE PLAN (the “Plan”) is intended to provide an incentive for eligible employees of HALLIBURTON COMPANY (the “Company”) and certain of its subsidiaries to acquire or increase a proprietary interest in the Company through the purchase of shares of the Company’s common stock. The Plan is intended to qualify as an “employee stock purchase plan” under Section 423 of the Internal Revenue Code of 1986, as amended (the “Code”). The provisions of the Plan shall be construed in a manner consistent with the requirements of that section of the Code. The Plan was originally established in 2002 as the Halliburton Company 2002 Employee Stock Purchase Plan, was renamed the Halliburton Company Employee Stock Purchase Plan in 2009, and was amended in 2011 and 2012.

*Definitions.* Where the following words and phrases are used in the Plan, they shall have the respective meanings set forth below, unless the context clearly indicates to the contrary:

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

“Committee” means the Board or a committee of members of the Board appointed by the Board to administer this Plan.

“Company” means Halliburton Company and, where required by the context, shall include any Participating Company.

“Corporate Change” means one of the following events: (i) the merger, consolidation, or other reorganization of the Company in which the outstanding Stock is converted into or exchanged for a different class of securities of the Company, a class of securities of any other issuer (except a direct or indirect wholly owned subsidiary of the Company), cash or other property; (ii) the sale, lease or exchange of all or substantially all of the assets of the Company to any other corporation or entity (except a direct or indirect wholly owned subsidiary of the Company); or (iii) the adoption by the stockholders of the Company of a plan of liquidation or dissolution.

“Eligible Compensation” means an employee’s regular straight-time earnings or base salary, determined before giving effect to any elective salary reduction or deferral agreements and including vacation, sick time and short-term disability pay, but excluding overtime, incentive compensation, bonuses, special payments, commissions, severance pay, long-term disability pay, geographical coefficients, shift differential and any other items of compensation.

“Eligible Employee” means, as of each Enrollment Date, each employee of the Company or a Participating Company, but excluding employees who are employed in a foreign country whose laws or regulations effectively prohibit participation in the Plan. Additionally the Committee may also determine that a designated group of highly compensated employees are ineligible to participate in the Plan so long as the group fits within the definition of ‘highly compensated employee’ in Code Section 414(q).

“Enrollment Date” means the first day of each Purchase Period.

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

“Fair Market Value” shall mean the closing price for a share of Stock on the New York Stock Exchange (or if the Stock is not then listed on such exchange, such other national securities exchange on which the Stock is then listed) for the last Trading Day on the date of such determination, as reported on the New York Stock Exchange (or such other national securities exchange) Composite Tape or such other source as the Committee deems reliable, or if no prices are reported on that date, on the last preceding date on which such prices are so reported.

“Participating Company” means any present or future parent corporation or Subsidiary of the Company that participates in the Plan pursuant to paragraph 4.

“Purchase Date” means the last Trading Day of each Purchase Period.

“Purchase Period” means a period of approximately three months beginning on the first Trading Day of each calendar quarter that begins on January 1, April 1, July 1, or October 1 and ending on the last Trading Day of the respective calendar quarter ending March 31, June 30, September 30, or December 31. The Committee shall have the power to change the duration of Purchase Periods (including the commencement dates thereof) with respect to future offerings without stockholder approval if such change is announced at least five days prior to the scheduled beginning of the first Purchase Period to be affected thereafter.

“Purchase Price” means an amount equal to 85% of the Fair Market Value of a share of Stock on the Enrollment Date or on the Purchase Date, whichever is lower, subject to adjustment pursuant to paragraph 13.

“Stock” means the Company’s common stock, par value \$2.50 per share.

“Sub-Plan” means the Company’s Non-Qualified Employee Stock Purchase Plan, as amended.

“Subsidiary” means a corporation, domestic or foreign, which is a “subsidiary” of the Company, as defined in section 424(f) of the Code, whether or not such corporation exists or is hereafter organized or acquired by the Company or a subsidiary.

Back to Contents

“Trading Day” means a day on which the principal national stock exchange on which the Stock is traded is open for trading.

*Administration of the Plan.* The Plan shall be administered by the Committee. Subject to the provisions of the Plan, the Committee shall interpret the Plan, make such rules as it deems necessary for the proper administration of the Plan, and make all other determinations necessary or advisable for the administration of the Plan and the purchase of Stock under the Plan, including without limitation establishing the exchange ratio applicable to amounts withheld in a currency other than U.S. dollars. In addition, the Committee shall correct any defect or supply any omission or reconcile any inconsistency in the Plan, or in any stock purchase right granted under the Plan, correct any mistakes 3. in the administration of the Plan in the manner and to the extent that the Committee deems necessary or desirable to effectuate the intent of the Plan. The Committee shall, in its sole discretion, make such decisions or determinations and take such actions, and all such decisions, determinations and actions taken or made by the Committee pursuant to this and the other paragraphs of the Plan shall be conclusive on all parties. The Committee shall not be liable for any decision, determination or action taken in good faith in connection with the administration of the Plan. The Committee shall have the authority to delegate routine day-to-day administration of the Plan to such officers and employees of the Company as the Committee deems appropriate.

*Participating Companies.* The Committee may designate any present or future parent corporation of the Company or Subsidiary that is eligible by law to participate in the Plan as a Participating Company by written instrument delivered to the designated Participating Company. Such written instrument shall specify the effective date of such designation and shall become, as to such designated Participating Company and employees in its employment, a part of the Plan. The terms of the Plan may be modified as applied to the Participating Company only to the extent 4. permitted under Section 423 of the Code. Transfer of employment among the Company and Participating Companies shall not be considered a termination of employment hereunder. Any Participating Company may, by appropriate action of its Board of Directors, terminate its participation in the Plan. Moreover, the Committee may, in its discretion, terminate a Participating Company’s Plan participation in the Plan at any time. The Participating Companies at any time shall be listed on Attachment A hereto as it may be amended from time to time by the Committee.

5. *Eligibility.* Subject to the further provisions hereof, all Eligible Employees as of an Enrollment Date shall be eligible to participate in the Plan with respect to the Purchase Period beginning as of such date.

6. *Stock Subject to the Plan.* Subject to the provisions of paragraph 13, the aggregate number of shares of Stock which may be sold under the Plan and the Sub-Plan shall not exceed 74,000,000 shares, which shares may be authorized but unissued shares or treasury shares, including shares bought on the open market or otherwise for purposes of the Plan.

7. *Stock Purchase Rights.*

*Grant of Stock Purchase Rights.* On each Enrollment Date the Company shall grant a stock purchase right to each Eligible Employee who elects to participate in the Plan for the Purchase Period beginning on such date. Subject to subparagraphs 7(f) and (g), the number of shares of Stock subject to a stock purchase right for a participant shall be equal to the quotient of (i) the aggregate payroll deductions withheld on behalf of such participant during the Purchase Period, divided by (ii) the Purchase Price of the Stock applicable to the Purchase (a) Period; provided, however, that the maximum number of shares of Stock that may be subject to any stock purchase right for a participant during any Purchase Period may not exceed 10,000 shares (subject to adjustment as provided in paragraph 13). Whole and fractional shares shall be purchased, unless the Committee determines that the purchase of fractional shares is administratively impracticable. Any references in the Plan to “shares” shall include fractional shares, if any, purchased by the participant under the Plan.

(b) *Election to Participate; Payroll Deduction Authorization.* An Eligible Employee may participate in the Plan only by means of payroll deduction. Except as provided in subparagraph 7(f), each Eligible Employee who elects to participate in the Plan shall deliver to the Company, within the time period prescribed by the Committee, a payroll deduction authorization in the form or manner prescribed by the Company, whereby he gives notice of his election to participate in the Plan as of the next following Enrollment Date, and whereby he designates an integral percentage (except as provided below) to be deducted from his Eligible Compensation for each pay period paid during the Purchase Period and paid into the Plan for his account. The designated percentage may not

exceed 10%; provided, however, the minimum contribution per pay period shall be \$10.

*Changes in Payroll Authorization.* All payroll deductions made for a participant shall be credited to his account under the Plan. A participant may discontinue his participation in the Plan as provided in paragraph 9 hereof, or may increase or decrease the rate of his payroll deductions during the Purchase Period by completing or filing with the Company, at a time and in a manner prescribed by the Committee, a new payroll deduction

(c) authorization form authorizing a change in his payroll rate. The Committee may, in its discretion, limit the number of payroll rate changes during any Purchase Period. The change in rate shall be effective as soon as administratively practicable after the Company's receipt of the new payroll deduction authorization form. A participant's payroll deduction authorization form shall remain in effect for successive Purchase Periods unless terminated as provided in paragraph 9 hereof.

*Automatic Payroll Reduction.* Notwithstanding the foregoing, to the extent necessary to comply with subparagraphs 7(f) and (g) hereof, a participant's payroll deductions may be decreased to 0% at any time during a (d) Purchase Period. Payroll deductions shall recommence at the rate provided in such participant's payroll deduction authorization form at the beginning of the first Purchase Period that is scheduled to end in the following calendar year, unless terminated by the participant as provided in paragraph 9 hereof.

*Tax Withholding.* At the time the stock purchase right is exercised, in whole or in part, or at the time some or all of the Stock issued under the Plan is disposed of, the participant must make adequate provision for the (e) Company's federal, state or other tax withholding obligations, if any, that arise upon the exercise of the stock purchase right or the

Back to Contents

disposition of the Stock. At any time, the Company may, but shall not be obligated to, withhold from the participant's compensation the amount necessary for the Company to meet applicable withholding obligations, including without limitation any withholding required to make available to the Company any tax deductions or benefits attributable to the sale or early disposition of Stock purchased by the participant.

*\$25,000 Limitation.* Notwithstanding anything in the Plan to the contrary, no employee shall be granted a stock purchase right under the Plan which permits his rights to purchase Stock under the Plan and under all other employee stock purchase plans of the Company and its parent corporation and Subsidiaries to accrue at a rate (f) which exceeds \$25,000 of Fair Market Value of Stock (determined at the time such stock purchase right is granted) for each calendar year in which such stock purchase right is outstanding at any time (within the meaning of Section 423(b)(8) of the Code). Any payroll deductions in excess of the amount specified in the foregoing sentence shall be returned to the participant as soon as administratively feasible.

*Special Restriction on Participation.* Any provisions of the Plan to the contrary notwithstanding, no Eligible Employee shall be granted a stock purchase right under the Plan to the extent that, immediately after the grant, (g) such Eligible Employee (or any other person whose stock would be attributed to such Eligible Employee pursuant to Section 424(d) of the Code) would own capital stock of the Company and/or hold outstanding options to purchase such stock possessing 5% or more of the total combined voting power or value of all classes of the capital stock of the Company, its parent corporation or any Subsidiary.

8. *Exercise of Stock Purchase Rights.*

*General Statement.* Subject to the limitations set forth in paragraph 7, unless a participant withdraws from the Plan as provided in paragraph 9, each participant in the Plan automatically and without any act on his part shall (a) be deemed to have exercised his stock purchase right on each Purchase Date to the extent of his unused payroll deductions under the Plan and to the extent the issuance of Stock to such participant upon such exercise is lawful.

*Delivery of Shares to Custodian.* As soon as practicable after each Purchase Date, the Company shall deliver to a custodian selected by the Committee one or more certificates representing (or shall otherwise cause to be credited to the account of such custodian) the aggregate number of whole shares of Stock with respect to which stock purchase rights were exercised on such Purchase Date of all of the participating employees hereunder. Such custodian shall keep accurate records of the beneficial interests of each participant in such shares by means of participant accounts under the Plan, and shall provide each participant with periodic statements with respect thereto as may be directed by the Committee. The Committee may require that shares be retained with (b) such custodian, or other designated broker or agent for a designated period of time and/or may establish other procedures to permit tracking of disqualifying dispositions of such shares. If the Company is required to obtain from any U.S. commission or agency authority to issue any such shares, the Company shall seek to obtain such authority. Inability of the Company to obtain from any commission or agency (whether U.S. or foreign) authority which counsel for the Company deems necessary for the lawful issuance of any such shares shall relieve the Company from liability to any participant in the Plan except to return to him the amount of his payroll deductions under the Plan which would have otherwise been used upon exercise of the relevant stock purchase right.

*Withdrawal of Shares.* A participant may, at any time, in such form and manner as established by the custodian, (c) direct the custodian to deliver to the participant all or part of the shares held by the custodian in his account or to sell such shares and deliver to the participant the proceeds therefrom, less applicable expenses.

(d) *Dividends.* With respect to an individual's Stock held by the custodian pursuant to subparagraph 8(b), the custodian may reinvest in additional shares of Stock for such participant's account any cash dividends received

by the custodian and attributable to such Stock and the custodian shall, in accordance with procedures adopted by the custodian, facilitate the participant's voting rights attributable to shares held in a participant's account. The participant may elect to receive dividends in cash by following the procedures established by the custodian.

9. *Withdrawal from the Plan.*

*General Statement.* Any participant may withdraw in whole from the Plan prior to the Purchase Date relating to a particular Purchase Period. Partial withdrawals shall not be permitted. A participant who wishes to withdraw from the Plan must timely deliver to the Company a notice of withdrawal in a form prepared by the Company during the Purchase Period at a time and in a manner prescribed by the Committee. The Company shall, as soon (a) as administratively practicable, following the receipt of the notice of withdrawal, refund to the participant the amount of his payroll deductions under the Plan which have not yet been used to purchase shares upon the exercise of his stock purchase rights; and thereupon, automatically and without any further act on his part, his payroll deduction authorization and his interest in unexercised stock purchase rights under the Plan shall terminate in full.

*Eligibility Following Withdrawal.* A participant who withdraws from the Plan shall be eligible to participate (b) again in the Plan upon expiration of the Purchase Period during which he withdrew (provided that he is otherwise an Eligible Employee at such later time).

10. *Termination of Eligible Employment.* If the employment of a participant with the Company terminates for any reason whatsoever or the participant ceases to be an Eligible Employee, then his participation in the Plan automatically and without any act on his part shall terminate as of the date of such termination of employment or change in status. The Company shall, as soon as administratively practicable, refund to him (or his estate or personal representative, as the case may be) the amount of his payroll deductions under the Plan which have not yet been used

Back to Contents

to purchase Stock, and thereupon his interest in unexercised stock purchase rights under the Plan shall terminate in full.

*Restriction Upon Assignment of Stock Purchase Rights.* A stock purchase right granted under the Plan shall not be transferable otherwise than by will or the laws of descent and distribution. Each stock purchase right shall be exercisable, during a participant's lifetime, only by the participant to whom granted. The Company shall not recognize and shall be under no duty to recognize any assignment or purported assignment by an employee of any of his stock purchase rights under the Plan.

*No Shareholder Rights or Privileges Until Exercise of Stock Purchase Rights.* With respect to shares of Stock subject to a stock purchase right, a participant shall not be deemed to be a shareholder, and he shall not have any of the rights or privileges of a shareholder, until such stock purchase right has been exercised and shares delivered pursuant to subparagraph 8(b).

*Changes in Stock; Adjustments.* Whenever any change is made in the Stock, by reason of a stock dividend or by reason of subdivision, stock split, reverse stock split, recapitalization, reorganization, combination, reclassification of shares or other similar change, appropriate action will be taken by the Committee to adjust any or all of (i) the number and type of shares subject to the Plan, (ii) the number and type of shares subject to outstanding stock purchase rights and (iii) the Purchase Price with respect to any of the foregoing.

In the event of a Corporate Change, unless a successor corporation assumes or substitutes new stock purchase rights (within the meaning of Section 424(a) of the Code) for all stock purchase rights then outstanding, (i) the Purchase Date for all stock purchase rights then outstanding shall be accelerated to a date fixed by the Committee prior to the effective date of the Corporate Change and (ii) upon such effective date any unexercised stock purchase rights shall expire and the Company promptly shall refund to each participant the amount of such participant's payroll deductions under the Plan which have not yet been used to purchase Stock.

*Use of Funds; No Interest Paid.* All funds received or held by the Company under the Plan shall be included in the general funds of the Company free of any trust or other restriction, and may be used for any corporate purpose. No interest shall be paid to any participant on amounts credited to his account.

*Term of the Plan.* The Plan was originally effective July 1, 2002. This amended and restated Plan shall be effective as of the date it was amended and restated, provided it is approved by stockholders. If not sooner terminated under the provisions of paragraph 16, the Plan shall automatically terminate upon and no further payroll deductions shall be made and no further stock purchase rights shall be granted after the date all of the shares of Stock reserved for issuance under the Plan and the Sub-Plan, as increased and/ or adjusted from time to time, have been sold under the Plan and the Sub-Plan. If on the final Purchase Date there is an insufficient number of shares of Stock available for all purchases under stock purchase rights exercised on such date, the number of available shares shall be prorated among the then purchasing participants in an equitable manner as determined by the Committee based on their deductions for such Purchase Period and all remaining amounts shall be returned to the participants.

*Amendment or Termination of the Plan.* The Board in its discretion may terminate the Plan at any time with respect to any Stock for which stock purchase rights have not theretofore been granted. The Board shall have the right to alter or amend the Plan or any part thereof from time to time; provided, however, that, except as provided below, no change in any stock purchase right theretofore granted may be made that would materially impair the stock purchase rights of the participant without the consent of such participant. In the event the Board determines that the ongoing operation of the Plan may result in unfavorable financial accounting consequences, the Board may, in its discretion and, to the extent necessary or desirable, modify or amend the Plan to reduce or eliminate such accounting consequence including, but not limited to (i) altering the Purchase Price for any Purchase Period including a Purchase Period underway at the time of the change in Purchase Price; and (ii) shortening any Purchase



Period so that Purchase Period ends on a new Purchase Date, including a Purchase Period underway at the time of the Board action.

17. *Securities Laws.* The Company shall not be obligated to issue any Stock pursuant to any stock purchase right granted under the Plan at any time when the offer, issuance or sale of shares covered by such stock purchase right has not been registered under the Securities Act of 1933, as amended, or does not comply with such other state, federal or foreign laws, rules or regulations, or the requirements of any stock exchange upon which the Stock may then be listed, as the Company or the Committee deems applicable and, in the opinion of legal counsel for the Company, there is no exemption from the requirements of such laws, rules, regulations or requirements available for the offer, issuance and sale of such shares. Further, all Stock acquired pursuant to the Plan shall be subject to the Company's policies concerning compliance with securities laws and regulations, as such policies may be amended from time to time. The terms and conditions of stock purchase rights granted hereunder to, and the purchase of shares by, persons subject to Section 16 of the Exchange Act shall comply with any applicable provisions of Rule 16b-3. As to such persons, the Plan shall be deemed to contain, and such stock purchase rights shall contain, and the shares issued upon exercise thereof shall be subject to, such additional conditions and restrictions as may be required from time to time by Rule 16b-3 to qualify for the maximum exemption from Section 16 of the Exchange Act with respect to Plan transactions.

18. *No Restriction on Corporate Action.* Nothing contained in the Plan shall be construed to prevent the Company or any Subsidiary from taking any corporate action that is deemed by the Company or such Subsidiary to be appropriate or in its best interest, whether or not such action would have an adverse effect on the Plan or any stock purchase right granted under the Plan. No employee, beneficiary or other person shall have any claim against the Company or any Subsidiary as a result of any such action.

19. *Miscellaneous Provisions.*

*Number and Gender.* Wherever appropriate herein, words used in the singular shall be considered to include the (a) plural and words used in the plural shall be considered to include the singular. The masculine gender, where appearing in the Plan, shall be deemed to include the feminine gender.

Back to Contents

- (b) *Headings.* The headings and subheadings in the Plan are included solely for convenience, and if there is any conflict between such headings or subheadings and the text of the Plan, the text shall control.

*Not a Contract of Employment.* The adoption and maintenance of the Plan shall not be deemed to be a contract between the Company or any Participating Company and any person or to be consideration for the employment of any person. Participation in the Plan at any given time shall not be deemed to create the right to participate in the Plan, or any other arrangement permitting an employee of the Company or any Participating Company to purchase Stock at a discount, in the future. The stock purchase rights and obligations under any participant's terms of employment with the Company or any Participating Company shall not be affected by participation in the Plan.

- (c) Nothing herein contained shall be deemed to give any person the right to be retained in the employ of the Company or any Participating Company or to restrict the right of the Company or any Participating Company to discharge any person at any time, nor shall the Plan be deemed to give the Company or any Participating Company the right to require any person to remain in the employ of the Company or such Participating Company or to restrict any person's right to terminate his employment at any time. The Plan shall not afford any participant any additional right to compensation as a result of the termination of such participant's employment for any reason whatsoever.

*Compliance with Applicable Laws.* The Company's obligation to offer, issue, sell or deliver Stock under the Plan is at all times subject to all approvals of and compliance with any governmental authorities (whether domestic or foreign) required in connection with the authorization, offer, issuance, sale or delivery of Stock as well as all

- (d) federal, state, local and foreign laws. Without limiting the scope of the preceding sentence, and notwithstanding any other provision in the Plan, the Company shall not be obligated to grant stock purchase rights or to offer, issue, sell or deliver Stock under the Plan to any employee who is a citizen or resident of a jurisdiction the laws of which, for reasons of its public policy or otherwise, prohibit the Company from taking any such action with respect to such employee.

*Severability.* If any provision of the Plan shall be held illegal or invalid for any reason, said illegality or invalidity

- (e) shall not affect the remaining provisions hereof; instead, each provision shall be fully severable and the Plan shall be construed and enforced as if said illegal or invalid provision had never been included herein.

- (f) *Governing Law.* All provisions of the Plan shall be construed in accordance with the laws of Delaware except to the extent preempted by federal law.

[Back to Contents](#)

## **DIRECTIONS TO THE HALLIBURTON ANNUAL MEETING OF STOCKHOLDERS**

The Halliburton North Belt Facility is located on the North Sam Houston Parkway (Beltway 8 Tollway) south feeder between Aldine Westfield and JFK Boulevard.

**3000 N. Sam Houston Parkway  
East Houston, Texas 77032  
281-871-4000**

### **From I45**

- Take the Sam Houston Parkway East
- Exit JFK Blvd

### **From 59 and IAH**

- Take the Sam Houston Parkway West
- Exit Aldine Westfield
- “U-Turn” at Aldine Westfield and proceed east on the Sam Houston Parkway feeder

The main entrance to the North Belt facility will be on your right, about halfway between Aldine Westfield and JFK Blvd.

[Back to Contents](#)

[Back to Contents](#)