

CORPORATE GOVERNANCE POLICIES

Over the past several years, the Board of Directors has adopted and put into effect a number of important corporate governance policies described below. The Board of Directors and the management of Occidental believe that good corporate governance enhances stockholder value. Occidental's corporate governance policies, principles and guidelines are intended to improve the performance of Occidental by taking advantage of the collective skills and experience of Occidental's directors and officers.

Board Structure and Operation

Size of the Board: In determining the size of the Board, the Board of Directors will consider the level of work required from each director, including the requirement that certain Committees be composed entirely of independent directors.

Director Criteria: Independent directors (as defined below) will comprise at least two-thirds of the members of the Board.

Independent Director: In order for a director to qualify as an "independent director," the Board must affirmatively determine that the director has no material relationship with Occidental (either as a partner, stockholder or officer of an organization that has a relationship with Occidental) that would preclude that nominee from being an independent director. For the purpose of such determination, an "independent director" is a director who:

- Has not been employed by Occidental within the last five years;
- Has not been an employee or affiliate of any present or former internal or external auditor of Occidental within the last three years;
- Has not received more than \$60,000 in direct compensation from Occidental, other than director and committee fees, during the current fiscal year or any of the last three completed fiscal years;
- Has not been an executive officer or employee of a company that made payments to, or received payments from, Occidental for property or services in an amount exceeding the greater of \$1 million or 2 percent of such other company's consolidated gross revenues during the current fiscal year or any of the last three completed fiscal years;
- Has not been employed by a company of which an executive officer of Occidental has been a director within the last three years;
- Is not affiliated with a not-for-profit entity that received contributions from Occidental exceeding the greater of \$1 million or 2 percent of such charitable organization's consolidated gross revenues during the current fiscal year or any of the last three completed fiscal years;
- Has not had any of the relationships described above with an affiliate of Occidental; and
- Is not a member of the immediate family of any person described above. An "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.

Tenure: Each director will be elected for a term of one year.

Retirement: No person 75 or older will be elected a director, unless as to such person such requirement is unanimously waived by the members of the Nominating and Corporate Governance Committee and such Committee's action is ratified and approved by a majority of the disinterested directors on the Board of Directors.

Board Memberships: No director of Occidental will hold more than four "for-profit" corporate directorships (including his or her Occidental directorship) at any one time.

Director Stock Ownership: Each director will beneficially own at least 5,000 shares of Occidental's stock within two years of his or her election to the Board.

Effective as of July 15, 2004

Director Compensation: Compensation for directors will promote ownership of Occidental's stock to align the interests of directors and stockholders and the independence of directors.

Executive Sessions: The independent directors will hold at least two regularly scheduled executive sessions each year at which employee directors and other members of management are not present. The Lead Independent Director will preside at such executive sessions.

Board Advisors: The Committees of the Board will have standing authorization (including funding), on their own decision, to consult with members of management and to retain legal or other advisors of their choice, which advisors will report directly to the Committee that retained them.

Lead Independent Director: The Board will designate a Lead Independent Director to coordinate the activities of the independent directors and, in addition, to perform the following duties:

- Advise the Chairman as to an appropriate schedule of Board meetings and the receipt of information from management;
- Provide the Chairman with input on agendas for the Board and Committee meetings;
- Recommend to the Chairman the retention of consultants who report directly to the Board;
- Assist in assuring compliance with the corporate governance policies and recommend revisions to the policies;
- Coordinate, develop the agenda for and moderate executive sessions of the independent directors;
- Evaluate, along with the members of the Executive Compensation and Human Resources Committee and the full Board, the CEO's performance; and
- Consult with the Chairman and other members of the Board as to recommendations on membership and chairpersons of all the Board Committees and discuss such recommendations with the Nominating and Corporate Governance Committee and the Board.

Membership of Committees: The Nominating and Corporate Governance Committee, the Executive Compensation and Human Resources Committee and the Audit Committee will be comprised entirely of independent directors and will also satisfy all applicable membership requirements for such.

Committee Charters: The Nominating and Corporate Governance Committee, the Executive Compensation and Human Resources Committee and the Audit Committee will each have a written charter that addresses the committee's purpose, duties, responsibilities and annual performance evaluation. The committee charters will be available through the Internet at www.oxy.com.

Board Diversity: The Board is committed to achieving a diverse and broadly inclusive membership by creating equal opportunity for men and women of every race, color, religion, ethnicity, national origin and cultural background.

Meetings: The Board will hold at least six regularly scheduled meetings each year.

Director Orientation and Education: Each new director will be provided with materials and information concerning Occidental in order to enable the director to perform the duties of a director. In addition, the Board will provide or sponsor each year eight hours of continuing education designed to enhance the performance of individual directors and the Board of Directors.

Director Responsibilities: Each director will use his or her best efforts to attend in person or by telephone all meetings of the Board and the committees to which such director is appointed. Each director is responsible for being familiar with Occidental's Governance Principles, the provisions of the Code of Business Conduct applicable to directors and the charter of each committee on which such director serves and for reviewing materials provided in advance of Board and committee meetings.

Performance Criteria: The Board will establish performance criteria for itself and, annually, will evaluate each director, committee and the overall Board. Board evaluation will include an assessment of, among other things, whether the Board and its committees are functioning effectively and have the necessary diversity of skills, backgrounds and experiences to meet Occidental's needs. Individual director evaluations will include high standards for in-person attendance at Board and committee meetings.

Succession Planning: The Board of Directors will review on a regular basis Occidental's policies and principles for recruiting, developing and selecting the persons to succeed the CEO and other executive officers. The review will encompass the background, training, qualities and other characteristics that would be desirable in candidates to succeed the CEO and other executive officers as well as consideration of possible successors.

Communications with Directors: Interested parties may communicate with any nonmanagement director by sending a letter to such director's attention in care of Occidental's Corporate Secretary, 10889 Wilshire Blvd., Los Angeles, California 90024.