

HALLIBURTON CO  
Form DEF 14A  
April 18, 2006

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OMB APPROVAL

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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

**SCHEDULE 14A**

Proxy Statement Pursuant to Section 14(a) of the Securities  
Exchange Act of 1934 (Amendment No. )

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 Pursuant to §240.14a-12

**Halliburton Company**

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(Name of Registrant as Specified In Its Charter)

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(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)(4) and 0-11.

1) Title of each class of securities to which transaction applies:

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2) Aggregate number of securities to which transaction applies:

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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):

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4) Proposed maximum aggregate value of transaction:

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5) Total fee paid:

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o Fee paid previously with preliminary materials.

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o 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:

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2) Form, Schedule or Registration Statement No.:

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3) Filing Party:

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4) Date Filed:

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SEC 1913 (02-02)

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April 18, 2006

To Our Stockholders:

You are cordially invited to attend the Annual Meeting of Stockholders of Halliburton Company. The meeting will be held on Wednesday, May 17, 2006, at 9:00 a.m., local time, at the Simmons Center, 800 Chisholm Trail Parkway, Duncan, Oklahoma 73534. The Notice of Annual Meeting, proxy statement and proxy card from the Board of Directors are enclosed. The materials provide further information concerning the Annual Meeting.

At the meeting, stockholders are being asked to:

elect a Board of Directors of eleven Directors to serve for the coming year;

consider and act upon a proposal to amend the Certificate of Incorporation of Halliburton to increase the authorized common stock of Halliburton;

consider and act upon a proposal to approve the Board of Directors policy on future severance agreements for executive officers of Halliburton;

ratify the selection of KPMG LLP as independent accountants to examine the financial statements and books and records of Halliburton for 2006; and

consider three stockholder proposals.

Please refer to the proxy statement for detailed information on each of these proposals.

It is very important that your shares are represented and voted at the meeting. Your shares may be voted electronically on the Internet, by telephone or by returning the enclosed proxy card. If you attend the meeting, you may vote in person even if you have previously voted. We would appreciate you informing us on the proxy card if you expect to attend the meeting so that we can provide adequate seating.

The continuing interest of our stockholders in the business of Halliburton is appreciated, and we hope you will be able to attend the Annual Meeting.

Sincerely,

David J. Lesar  
*Chairman of the Board, President  
and Chief Executive Officer*

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**Notice of Annual Meeting of Stockholders  
to be Held May 17, 2006**

The Annual Meeting of Stockholders of Halliburton Company, a Delaware corporation, will be held on Wednesday, May 17, 2006, at 9:00 a.m., local time, at the Simmons Center, 800 Chisholm Trail Parkway, Duncan, Oklahoma 73534. 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 eleven 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 amend Article FOURTH of Halliburton's Certificate of Incorporation, as amended, to increase the authorized common stock of Halliburton, par value \$2.50 per share, from 1,000,000,000 shares to 2,000,000,000 shares.
3. To consider and act upon a proposal to approve the Board of Directors' policy on future severance agreements for executive officers of Halliburton.
4. To consider and act upon a proposal to ratify the appointment of KPMG LLP as independent accountants to examine the financial statements and books and records of Halliburton for the year 2006.
5. To consider and act upon three stockholder proposals, if properly presented at the meeting.
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 Monday, March 20, 2006, at the close of business, 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.

We request that you vote your shares as promptly as possible. You may vote your shares in a number of ways if you have shares registered in your own name:

electronically via the Internet at <http://www.proxyvoting.com/hal>,  
by telephone if you are in the U.S. and Canada, by calling 1-866-540-5760 (toll-free), or  
by marking your votes, dating, signing the proxy card or voting instruction form enclosed and returning it in the postage-paid envelope provided.

If you hold Halliburton shares with a broker or bank, you may also be eligible to vote via the Internet or by telephone if your broker or bank participates in the proxy voting program provided by ADP Investor Communication Services.

**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 brokerage accounts will need to bring a copy of a brokerage statement reflecting stock ownership as of the record date. Please note that you may be asked to present valid picture identification, such as a driver's license or passport.**

By order of the Board of Directors,

Margaret E. Carriere  
*Senior Vice President and Secretary*

April 18, 2006

**You are urged to vote your shares as promptly as possible by (1) following the enclosed voting instructions to vote via the Internet or by telephone, or (2) marking your votes, dating, signing and returning the enclosed proxy card or voting instruction form.**

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**PROXY STATEMENT  
GENERAL INFORMATION**

The accompanying proxy is solicited by the Board of Directors of Halliburton Company ( Halliburton , the Company , we or us ). By executing and returning the enclosed proxy or by following the enclosed voting instructions, 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.

Subject to space availability, all stockholders as of the record date, or their duly appointed proxies, may attend the Meeting and each may be accompanied by one guest. Admission to the Meeting 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. Please note that you may be asked 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.

**No cameras, recording equipment, electronic devices, large bags, briefcases or packages will be permitted in the Meeting.**

If you attend the Meeting, you may vote in person. If you are not present, your shares can be voted only if you have followed the instructions for voting via the Internet or by telephone or returned a properly executed proxy; and in these cases, your shares will be voted as you specify. If no specification is made, the shares will be voted in accordance with the recommendations of the Board of Directors. You may revoke the authorization given in your proxy at any time before the shares are voted at the Meeting.

The record date for determination of the stockholders entitled to vote at the Annual Meeting is the close of business on March 20, 2006. Halliburton's common stock, par value \$2.50, is the only class of capital stock that is outstanding. As of March 20, 2006, there were 516,358,189 shares of common stock outstanding. Each of the outstanding shares of common stock is entitled to one vote on each matter submitted to the stockholders for a vote at the Meeting. A complete list of stockholders entitled to vote will be kept at our offices at the address specified below for ten days prior to, and will be available at, the Annual Meeting.

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

In the election of Directors, the candidates for election receiving the highest number of affirmative votes of the shares entitled to be voted, whether or not a majority of the shares present, up to the number of Directors to be elected by those shares, will be elected. Shares present but not voting on the election of Directors will be disregarded, except for quorum purposes, and will have no legal effect. With respect to the proposal to amend the Certificate of Incorporation to increase the number of authorized shares, the affirmative vote of the holders of a majority of the outstanding shares of common stock is required to approve the amendment.

The election inspectors will treat shares held in street name which cannot be voted by a broker on specific matters in the absence of instructions from the beneficial owner of the shares, known as broker non-vote 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. Those shares may be entitled to vote on other matters.

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In accordance with our confidential voting policy, no vote of any stockholder will be disclosed to Halliburton's officers, Directors or employees, except:

- as necessary to meet legal requirements and to assert claims for and defend claims against Halliburton;
- 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 of Directors.

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

This proxy statement, the form of proxy and voting instructions are being sent to stockholders on or about April 24, 2006. Our Annual Report to Stockholders, including financial statements, for the fiscal year ended December 31, 2005 accompanies this proxy statement. The Annual Report is not to be considered as a part of the proxy solicitation material or as having been incorporated by reference.

Our principal executive office is located at 5 Houston Center, 1401 McKinney Street, Suite 2400, Houston, Texas 77010.

**ELECTION OF DIRECTORS  
(Item 1)**

Effective at 9:00 a.m. on May 17, 2006, the number of Directors which will constitute the Board will be increased from nine to eleven. Eleven Directors are to be elected to serve for the ensuing year and until their successors are elected and qualify. Nine of the nominees listed below are presently Directors of Halliburton. Alan M. Bennett and James R. Boyd are proposed for the first time for election to the Board of Directors. The common stock represented by the proxies will be voted for the election as Directors of the eleven nominees unless we receive contrary instructions. If any of the nominees are unwilling or unable to serve, favorable and uninstructed proxies will be voted for a substitute nominee designated by the Board of Directors. If a suitable substitute is not available, the Board of Directors 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.

**Information about Nominees for Director**

**ALAN M. BENNETT**, 55, Senior Vice President and Chief Financial Officer, Aetna, Inc. (a leading provider of health, dental, group life, disability and long-term care benefits) since 2001; Vice President and Corporate Controller, 1998-2001; Vice President and Director of Internal Audit, 1997-1998; Chief Financial Officer, Aetna Business Resources, 1995-1997; Director of Bausch & Lomb.

**JAMES R. BOYD**, 59, Chairman of the Board, Arch Coal, Inc. (second largest U.S. coal producer) since 1998; Senior Vice President and Group Operating Officer, Ashland, Inc. 1989-2002. Director of Arch Coal, Inc. and Farmers Bancorp Inc.



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**ROBERT L. CRANDALL**, 70, Chairman Emeritus, AMR Corporation/ American Airlines, Inc. (engaged primarily in the air transportation business); President, American Airlines, Inc., 1980-1995; Chairman, President and Chief Executive Officer, AMR Corporation/American Airlines, 1985-1995; and Chairman and Chief Executive Officer, AMR Corporation/American Airlines, 1985-1998; joined Halliburton Company Board in 1986; Chairman of the Audit Committee and member of the Compensation, the Nominating and Corporate Governance and the Management Oversight Committees; Director of Air Cell, Inc., Anixter International, Celestica Inc., i2 Technologies, Inc., and serves on the Federal Aviation Administration Management Advisory Committee.

**KENNETH T. DERR**, 69, Retired Chairman of the Board, Chevron Corporation (an international oil company); Chairman and Chief Executive Officer, Chevron Corporation, 1989- 1999; joined Halliburton Company Board in 2001; Chairman of the Compensation Committee and member of the Health, Safety and Environment and the Management Oversight Committees; Chairman of the Board and Director of Calpine Corporation and Director of Citigroup Inc.

**S. MALCOLM GILLIS**, 65, University Professor, Rice University since 2004; President, Rice University, 1993-2004; Ervin Kenneth Zingler Professor of Economics, Rice University, 1996-2004; Professor of Economics, Rice University, 1993-2004; joined Halliburton Company Board in 2005; member of the Health, Safety and Environment, the Nominating and Corporate Governance and the Management Oversight Committees; Director of Service Corporation International, Introgen Therapeutics, Inc., AECOM Technology, Electronic Data Services Corporation and the Vietnam Education Foundation.

**W. R. HOWELL**, 70, Chairman Emeritus, J.C. Penney Company, Inc. (a major retailer); Chairman of the Board, J.C. Penney Company, Inc., 1983-1996; Chief Executive Officer, J.C. Penney Company, Inc., 1983-1995; joined Halliburton Company Board in 1991; Lead Director, Chairman of the Management Oversight Committee and member of the Compensation and the Nominating and Corporate Governance Committees; Director of American Electric Power Company, Exxon-Mobil Corporation, Pfizer Inc. and the Williams Company. He is also a Director of Deutsche Bank Trust Corporation and Deutsche Bank Trust Company Americas, non- public wholly owned subsidiaries of Deutsche Bank AG.

**RAY L. HUNT**, 62, Chief Executive Officer, Hunt Oil Company (oil and gas exploration and development) and Chairman of the Board, Chief Executive Officer and President, Hunt Consolidated, Inc. for more than five years; Chairman of the Board, Hunt Oil Company, 1986-2004, joined Halliburton Company Board in 1998; member of the Health, Safety and Environment and the Management Oversight Committees; Director of Electronic Data Systems Corporation, PepsiCo, Inc., King Ranch, Inc., and Chairman of the Board of Directors of the Federal Reserve Bank of Dallas and member of the Board of Managers of Verde Group, L.L.C.

**DAVID J. LESAR**, 52, Chairman of the Board, President and Chief Executive Officer of the Company, since 2000; President of the Company, 1997-2000; Executive

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Vice President and Chief Financial Officer, 1995-1997; joined Halliburton Company Board in 2000; Director of Lyondell Chemical Company.

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**J. LANDIS MARTIN**, 60, Founder and Managing Director, Platte River Ventures, L.L.C. (a private equity investment company) since 2005; Retired Chairman and Chief Executive Officer, Titanium Metals Corporation, 1995-2005; President, Titanium Metals Corporation, 2000-2005; President and Chief Executive Officer, NL Industries, Inc., 1987-2003; Chairman of the Board and Chief Executive Officer, Baroid Corporation (and its predecessor), acquired by Dresser Industries, Inc. in 1994, 1990-1994; joined Halliburton Company Board in 1998; Chairman of the Nominating and Corporate Governance Committee and member of the Audit and the Management Oversight Committees; Director of Apartment Investment and Management Corporation and Crown Castle International Corporation.

**JAY A. PRECOURT**, 68, Chairman of the Board, Hermes Consolidated, Inc. (a gatherer, transporter and refiner of crude oil and refined products) since 1999; Chairman of the Board and Chief Executive Officer, Scissor Tail Energy, LLC, 2000-2005; Vice Chairman and Chief Executive Officer, Tejas Gas Corporation, 1986-1999; President, Tejas Gas Corporation, 1996-1998; joined Halliburton Company Board in 1998; Chairman of the Health, Safety and Environment Committee and member of the Audit and the Management Oversight Committees; Director of Apache Corp.

**DEBRA L. REED**, 49, President and Chief Operating Officer, Southern California Gas Company and San Diego Gas & Electric Company (regulated utility companies) since 2004; President and Chief Financial Officer, Southern California Gas Company and San Diego Gas & Electric Company, 2002-2004; President of San Diego Gas & Electric Company, 2000-2001; President, Energy Distribution Services, Southern California Gas Company, 1998-2001; Senior Vice President, Southern California Gas Company, 1995-1998; joined Halliburton Company Board in 2001; member of the Audit, the Compensation and the Management Oversight Committees; Director of Genentech, Inc.

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The following table sets forth information about persons or groups, based on information contained in Schedules 13G filed with the Securities and Exchange Commission reflecting beneficial ownership, who own or have the right to acquire more than five percent of our common stock.

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class
FMR Corp 82 Devonshire Street, Boston, Massachusetts 02109	62,540,697 <sup>(1)</sup>	12.167%
Capital Research and Management Company 333 South Hope Street, Los Angeles, CA 90071	43,320,000 <sup>(2)</sup>	8.4%
Alliance Capital Management L.P. 1290 Avenue of the Americas, New York, New York 10104	41,164,518 <sup>(3)</sup>	8.0%

- (1) The number of shares reported includes 58,025,735 shares beneficially owned by Fidelity Management & Research Company, 1,510,807 shares beneficially owned by Fidelity Management Trust Company, 5,775 shares beneficially owned by Strategic Advisers, Inc. and 2,998,380 shares beneficially owned by Fidelity International Limited. FMR Corp. has sole dispositive power over 58,025,735 shares. FMR Corp. has sole power to vote or to direct the voting of 1,510,807 shares.
- (2) Capital Research and Management Company (CRM) is an investment adviser and is deemed to be the beneficial owner of 43,320,000 shares. CRM has sole dispositive power over 43,320,000 shares and sole voting power over 11,240,000 shares.
- (3) The number of shares reported includes 40,865,350 shares owned by Alliance Capital Management L.P., 4,631 shares owned by AXA Investment Managers Paris (France), 40,732 shares owned by AXA Rosenberg Investment Management LLC, and 253,805 shares owned by AXA Equitable Life Insurance Company. Alliance Capital Management L.P. has sole power to dispose or to direct the disposition of 40,865,350 shares. Alliance Capital Management L.P. has the sole power to vote or to direct the vote of 27,651,037 shares.

The following table sets forth, as of March 1, 2006, the amount of our common stock owned beneficially by each Director, each Director Nominee, each of the executive officers named in the Summary Compensation Table on page 20 and all Directors, Director Nominees and executive officers as a group.

Name of Beneficial Owner or Number of Persons in Group	Amount and Nature of Beneficial Ownership		Percent of Class
	Sole Voting and Investment Power <sup>(1)</sup>	Shared Voting or Investment Power <sup>(2)</sup>	
Alan M. Bennett	1,000		

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James R. Boyd	2,000		
Albert O. Cornelison, Jr.	77,454	11,855 <sup>(3)</sup>	*
Robert L. Crandall	12,122		*
Kenneth T. Derr	16,163		*
C. Christopher Gaut	221,154		*
S. Malcolm Gillis	3,763		*
W. R. Howell	11,022		*
Ray L. Hunt	88,410	69,712 <sup>(3)</sup>	*
Andrew R. Lane	109,630		*
David J. Lesar	844,928	20,000 <sup>(3)</sup>	*
J. Landis Martin	37,764		*
Mark A. McCollum	28,550		*
Jay A. Precourt	29,403		*
Debra L. Reed	13,163	250 <sup>(3)</sup>	*
Shares owned by all current Directors, Director Nominees and executive officers as a group (20 persons)	1,776,069		*

\* Less than 1% of shares outstanding.

(1) Included in the table are shares of common stock that may be purchased pursuant to outstanding stock options within 60 days of March 1, 2006 for the following: Mr. Cornelison 1,968; Mr. Crandall 3,000; Mr. Derr 7,000; Mr. Gaut 127,460; Mr. Howell 3,000; Mr. Hunt

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11,500; Mr. Lane 3,966; Mr. Lesar 149,936; Mr. Martin 11,500; Mr. McCollum 1,500; Mr. Precourt 11,500; Ms. Reed 7,000 and five unnamed executive officers 134,657. Until the options are exercised, these individuals will neither have voting nor investment power over the underlying shares of common stock but only have the right to acquire beneficial ownership of the shares through exercise of their respective options.

- (2) The Halliburton Stock Fund is an investment fund established under the Halliburton Company Employee Benefit Master Trust to hold Halliburton common stock for some of Halliburton's profit sharing, retirement and savings plans. The Fund held 5,883,724 shares of common stock at March 1, 2006. One executive officer not named in the above table has beneficial interests in the Fund. Shares held in the Fund are not allocated to any individual's account. The shares of common stock which might be deemed to be beneficially owned as of March 1, 2006 by the unnamed executive officer total 426. The Trustee, State Street Bank and Trust Company, votes shares held in the Halliburton Stock Fund in accordance with voting instructions from the participants. Under the terms of the plans, a participant has the right to determine whether up to 15% of his account balance in a plan is invested in the Halliburton Stock Fund. The Trustee, however, determines when sales or purchases are to be made.
- (3) Mr. Cornelison holds 11,855 shares as the trustee of the Diane S. Cornelison By-Pass Trust. Mr. Hunt holds 69,712 shares as the trustee of trusts established for the benefit of his children. Mr. Lesar holds 20,000 shares in a family partnership. Ms. Reed has shared voting and investment power over 250 shares held in her husband's Individual Retirement Account.

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**CORPORATE GOVERNANCE**

In 1997, our Board of Directors adopted a formal statement of its responsibilities and corporate governance guidelines to ensure effective governance in all areas of its responsibilities. Since 1997, our corporate governance guidelines have been reviewed periodically and revised as appropriate to reflect the dynamic and evolving processes relating to corporate governance, including the operation of the Board. Our Board's corporate governance guidelines, as revised in December 2005, can be found on the Corporate Governance page of our website [www.halliburton.com](http://www.halliburton.com) and in Appendix A to this proxy statement.

Our Board also wants our stockholders to understand how the Board conducts its affairs in all areas of its responsibility. The full text of our Audit; Compensation; Health, Safety and Environment; Management Oversight; and Nominating and Corporate Governance Committees' charters are available on our website. The Compensation Committee charter was revised in December 2005 and is included as Appendix B to this proxy statement.

We have posted on our website our Code of Business Conduct, which applies to all of our employees and Directors and serves as a code of ethics for our principal executive officer, principal financial officer, principal accounting officer or controller, and other persons performing similar functions. If you do not have access to our website you can request a hard copy of the Code of Business Conduct, our corporate governance guidelines and the charters of the Board's committees by contacting the Senior Vice President and Secretary at the address set forth on page 2 of this proxy statement. Any waivers to our code of ethics for our executive officers can only be made by our Audit Committee.

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

The Board of Directors has standing Audit; Compensation; Health, Safety and Environment; Management Oversight; and Nominating and Corporate Governance Committees. Each of the standing committees are comprised of non-employee Directors, and the Audit; Compensation; and Nominating and Corporate Governance Committees, are comprised, in the business judgment of the Board entirely of independent, non-employee Directors. The Board has made the determination that each of the non-employee Directors, except for Mr. Hunt, is independent because they meet the independence standards set forth in our corporate governance guidelines (see Appendix A). For more information on Mr. Hunt, please see Certain Relationships and Related Transactions in this proxy statement on page 25. The Board of Directors has determined that Mr. Crandall's service on the audit committees of more than three public companies does not impair his ability to serve on Halliburton's Audit Committee. During the last fiscal year, the Board of Directors met on 6 occasions, the Audit Committee met on 9 occasions, the Compensation Committee met on 5 occasions, the Health, Safety and Environment Committee met on 2 occasions, the Management Oversight Committee met on 5 occasions and the Nominating and Corporate Governance Committee met on 2 occasions. The non-employee Directors of the Board and the Management Oversight Committee each met in executive session, with no Company personnel present, on 5 occasions. Mr. W.R. Howell is our Lead Director, and in that capacity, he chairs the executive sessions of the Management Oversight Committee. All members of the Board attended at least 75 percent of the total number of meetings of the Board and the committees on which he or she served during the last fiscal year. Our corporate governance guidelines provide that all Directors should attend our Annual Meeting, and all of our Directors attended the 2005 Meeting.

To foster better communication with our stockholders, we established a process for stockholders to communicate with the Audit Committee and the Board of Directors. 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 Securities and Exchange Commission, or SEC. The methods of communication with the Board, which follow, include mail, a dedicated telephone number and an e-mail address.

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**Contact the Board**

One may choose one of the below listed options to report complaints about Halliburton’s accounting, internal accounting controls or auditing matters to the Audit Committee, or other concerns to the Board of Directors.

Complaints relating to Halliburton’s accounting, internal accounting controls or auditing matters will be referred to members of the Audit Committee.

Other concerns will be referred to the Chair of the Management Oversight Committee.

All complaints and concerns will be received and processed by the Halliburton Director of Business Conduct.

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 Halliburton’s Code of Business Conduct; or
- required or advisable in Halliburton’s legal defense of the matter.

<b>Call</b>	<b>Write</b>	<b>E-mail</b>
888.312.2692 or 770.613.6348	Board of Directors c/o Director of Business Conduct Halliburton Company 5 Houston Center 1401 McKinney Street, Suite 2400 Houston, TX 77010	BoardofDirectors@halliburton.com

Halliburton’s Director of Business Conduct, a Halliburton employee, reviews all stockholder communications directed to the Audit Committee and the Board of Directors. The Chairman of the Audit Committee is promptly notified of any significant communication involving accounting, internal accounting controls, or auditing matters. The Chairman of the Management Oversight Committee 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.

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

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

	<b>Audit Committee</b>	<b>Compensation Committee</b>	<b>Health, Safety and Environment</b>	<b>Management Oversight Committee</b>	<b>Nominating and Corporate Governance Committee</b>
Robert L. Crandall	X*	X		X	X
Kenneth T. Derr		X*	X	X	
S. Malcolm Gillis			X	X	X



W. R. Howell		X		X*	X
Ray L. Hunt			X	X	
J. Landis Martin	X			X	X*
Jay A. Precourt	X		X*	X	
Debra L. Reed	X	X		X	

\* Chairman

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### **Audit Committee**

The Audit Committee's role is one of oversight, while Halliburton's management is responsible for preparing financial statements. The independent accounting firm appointed to audit our financial statements (the principal independent accountants) is responsible for auditing those financial statements. 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 accountants' work. The following functions are the key responsibilities of the Audit Committee in carrying out its oversight:

- recommending the appointment of the principal independent accountants to the Board of Directors, and together with the Board of Directors being responsible for the appointment, compensation, retention and oversight of the work of the principal independent accountants;
- reviewing the scope of the principal independent accountants' examination and the scope of activities of the internal audit department;
- reviewing Halliburton's financial policies and accounting systems and controls;
- reviewing audited financial statements and interim financial statements;
- preparing a report for inclusion in Halliburton's proxy statement regarding the Audit Committee's review of audited financial statements for the last fiscal year which includes a statement on whether it recommends that the Board include those financial statements in the Annual Report on Form 10-K;
- approving the services to be performed by the principal independent accountants; and
- reviewing and assessing the adequacy of the Audit Committee's Charter annually and recommending revisions to the Board.

The Audit Committee also reviews Halliburton's compliance with its Code of Business Conduct which was formally adopted by the Board in 1992. The Audit Committee meets separately with the principal independent accountants, internal auditors and management to discuss matters of concern, and to receive recommendations or suggestions for change and to exchange relevant views and information.

### **Compensation Committee**

The primary function of the Compensation Committee is to ensure that the Company's compensation program is effective in attracting, retaining and motivating key employees, that it reinforces business strategies and objectives for enhanced stockholder value and that the program is administered in a fair and equitable manner consistent with established policies and guidelines.

The Compensation Committee's responsibilities include, but are not limited to:

- making a recommendation to the independent members of the Board regarding the Chief Executive Officer's (CEO) compensation level for the next year based on the evaluation of the CEO's performance by the Management Oversight Committee in light of the goals and objectives set by these Committees;
- producing a compensation committee report on executive compensation as required by the SEC to be included in Halliburton's annual proxy statement;
- taking part in an annual performance evaluation of the Compensation Committee;
- developing and approving an overall executive compensation philosophy, strategy and framework consistent with corporate objectives and stockholder interests;
- reviewing and approving all actions relating to compensation, promotion and employment-related arrangements for specified officers of Halliburton, its subsidiaries and affiliates;
- establishing performance criteria and reward schedules under Halliburton's annual incentive pay plans and Performance Unit Program and certifying the performance level achieved and reward payments at the end of each plan year or three-year cycle;
- approving any other incentive or bonus plans applicable to specified officers of Halliburton, its subsidiaries and affiliates;
- administering awards under Halliburton's 1993 Stock and Incentive Plan and its Supplemental Executive Retirement Plan;



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selecting an appropriate comparator group against which Halliburton's total executive compensation program is measured;

reviewing and approving or recommending to the Board, as appropriate, major changes to, and taking administrative actions associated with, any other forms of non-salary compensation under its purview;

reviewing and approving the stock allocation budget among all employee groups within Halliburton;

monitoring and reviewing periodically overall compensation program design and practice to ensure continued competitiveness, appropriateness and alignment with established philosophies, strategies and guidelines;

reviewing and approving appointments to the Administrative Committee which oversees the day-to-day administration of certain non-qualified executive compensation plans; and

retaining persons having special competence (including consultants and other third-party service providers) as necessary to assist the Committee in fulfilling its responsibilities and maintaining the sole authority to retain and terminate these persons, including the authority to approve fees and other retention terms.

**Health, Safety and Environment Committee**

The Health, Safety and Environment Committee's responsibilities include, but are not limited to:

reviewing and assessing Halliburton's health, safety and environmental policies and practices and proposing modifications or additions as needed;

overseeing the communication and implementation of these policies throughout Halliburton;

reviewing annually the health, safety and environmental performance of Halliburton's operating units and their compliance with applicable policies and legal requirements; and

identifying, analyzing and advising the Board on health, safety and environmental trends and related emerging issues.

**Management Oversight Committee**

The Management Oversight Committee's responsibilities include, but are not limited to:

evaluating the performance of the Chief Executive Officer;

reviewing succession plans for senior management of Halliburton and its major operating units;

evaluating management development programs and activities; and

reviewing other internal matters of broad corporate significance.

**Nominating and Corporate Governance Committee**

The Nominating and Corporate Governance Committee's responsibilities include, but are not limited to:

reviewing periodically the corporate governance guidelines adopted by the Board of Directors and recommending revisions to the guidelines as appropriate;

developing and recommending to the Board for its approval an annual self-evaluation process of the Board and its committees. The Committee shall oversee the annual self-evaluations;

reviewing and periodically updating the criteria for Board membership and evaluating the qualifications of each Director candidate against the criteria;

assessing the appropriate mix of skills and characteristics required of Board members;

identifying and screening candidates for Board membership;

establishing procedures for stockholders to recommend individuals for consideration by the Committee as possible candidates for election to the Board;

reviewing annually each Director's continuation on the Board and recommending to the Board a slate of Director nominees for election at the Annual Meeting of Stockholders;

recommending candidates to fill vacancies on the Board;

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reviewing periodically the status of each Director to assure compliance with the Board's policy that at least two-thirds of Directors meet the definition of independent Director;

reviewing the Board's committee structure, and recommending to the Board for its approval Directors to serve as members and as Chairs of each committee;

reviewing annually any stockholder proposals submitted for inclusion in Halliburton's proxy statement and recommending to the Board any Halliburton statements in response; and

reviewing periodically Halliburton's Director compensation practices, conducting studies and recommending changes, if any, to the Board.

*Stockholder Nominations of Directors.* Nominations by stockholders may be made at an Annual Meeting of Stockholders in the manner provided in our By-laws. The By-laws provide that a stockholder entitled to vote for the election of Directors may make nominations of persons for election to the Board at a meeting of stockholders by complying with required notice procedures. Nominations shall be made pursuant to written notice to the Senior Vice President and Secretary at the address set forth on page 2 of this proxy statement, and must be received at our principal executive offices not less than ninety (90) days prior to the anniversary date of the immediately preceding Annual Meeting of Stockholders. The notice shall set forth:

as to each person the stockholder proposes to nominate for election or reelection as a Director:

- the name, age, business address and residence address of the person;
- the principal occupation or employment of the person;
- the class and number of shares of Halliburton common stock that are beneficially owned by the person; and
- all other information relating to the person that is required to be disclosed in solicitations for proxies for election of directors pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended; and