HALLIBURTON CO
Form DEF 14A
April 02, 2013
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A INFORMATION

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

Filed by the Registrant x 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))
x Definitive Proxy Statement
¨ Definitive Additional Materials
¨ Soliciting Material under Rule 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):

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

April 2, 2013

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 15, 2013 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.

At the meeting, stockholders are being asked to:

1. elect the eleven nominees named in the attached proxy statement to serve on the Board of Directors for the coming year;
2. ratify the selection of KPMG LLP as principal independent public accountants to examine the financial statements and books and records of Halliburton for 2013;
3. consider advisory approval of our executive compensation;
4. act on a proposal to amend and restate the Halliburton Company Stock and Incentive Plan;
5. consider one stockholder proposal; and
6. transact any other business that properly comes before the meeting or any adjournment or adjournments of the meeting.

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. 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 we hope you will be able to attend the Annual Meeting.

Sincerely,

DAVID J. LESAR
Chairman of the Board, President
and Chief Executive Officer

Notice of Annual Meeting of Stockholders
to be held May 15, 2013

Halliburton Company, a Delaware corporation, will hold its Annual Meeting of Stockholders on Wednesday, May 15, 2013 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 eleven 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, 2013.
3. To consider and act upon advisory approval of our executive compensation.
4. To consider and act upon management’s proposal to amend and restate the Halliburton Company Stock and Incentive Plan.
5. To consider and act upon one stockholder proposal, 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 the close of business on Monday, March 18, 2013 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

This year we are furnishing proxy materials to our stockholders over the Internet. On or about April 2, 2013, we mailed our stockholders a Notice of Internet Availability of Proxy Materials containing instructions on how to access our 2013 proxy statement and 2012 Annual Report on Form 10-K and 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.

By order of the Board of Directors,

CHRISTINA M. IBRAHIM
Vice President and Corporate Secretary
April 2, 2013

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.

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PROXY STATEMENT
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 2013 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 2, 2013. Our Annual Report on Form 10-K, including financial statements, for the fiscal year ended December 31, 2012 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 18, 2013. Our common stock, par value $2.50 per share, is our only class of capital stock that is outstanding. As of March 18, 2013, there were 930,992,485 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 (10th) 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.

ELECTION OF DIRECTORS

(Item 1)

Dr. S. Malcolm Gillis, who has served as a Director since 2005, is retiring from the Board immediately prior to the Annual Meeting of Stockholders on May 15, 2013. He will not be a candidate for reelection.

The eleven nominees listed below are presently our Directors. Mr. José C. Grubisich was elected to the Board on March 20, 2013. Mr. Grubisich is proposed for the first time for election to the Board of Directors by the stockholders. The common stock represented by properly executed and returned proxies will be voted to elect the eleven 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

ALAN M. BENNETT

Age: 62 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) and Bausch & Lomb (2004-2008). 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: 66 Director Since: 2006	Halliburton Committees: Compensation (Chair) Audit

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 a chief executive officer, chairman and lead director of a large company and his career experience in corporate business development, operations, and strategic planning.

MILTON CARROLL

Age: 62
Director Since: 2006

Halliburton Committees:
Compensation
Nominating and Corporate Governance

Mr. Carroll has been Chairman of the Board of CenterPoint Energy, Inc. (a public utility holding company) since 2002, Chairman of Health Care Service Corporation since 2002, and Chairman of Instrument Products, Inc. (a private oil-tool manufacturing company) since 1977. Mr. Carroll is a director of Western Gas Holdings, LLC, the general partner of Western Gas Partners L.P. (since 2008), LyondellBasell Industries (since 2010), and LRE GP, LLC, the general partner of LRR Energy, L.P. (since 2011). 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.

NANCE K. DICCIANI

Age: 65
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 Rockwood Holdings, Inc. (since 2008) and Praxair, Inc. (since 2008). 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: 60
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: 56
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.

ABDALLAH S. JUM'AH

Age: 71
Director Since: 2010

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

Mr. Jum'ah is the retired President and Chief Executive Officer of Saudi Arabian Oil Company (Saudi Aramco) (the world's largest producer of crude oil). Mr. Jum'ah was the President and Chief Executive Officer of Saudi Aramco from 1995 to 2008. Mr. Jum'ah has served as Chairman of the Board of The Saudi Investment Bank since February 13, 2013 (Director since 2010). Mr. Jum'ah is a Board member of Economic Cities Authority and Zamil Industries, and is a former Vice Chairman of the International Advisory Board at King Fahd University of Petroleum and Minerals (2007-2009). The Board determined that Mr. Jum'ah should be nominated for election as a Director because of his industry expertise, including significant international business experience in the eastern hemisphere, and his executive experience as president and chief executive officer leading the world's largest producer of crude oil.

DAVID J. LESAR

Age: 59
Director Since: 2000
(Chairman)

Mr. Lesar has been our Chairman of the Board, President and Chief Executive Officer since 2000. 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: 61
Director Since: 2009

Halliburton Committees:
Compensation
Health, Safety and Environment

Mr. Malone has been the President and Chief Executive Officer of The First National Bank of Sonora, Texas (a community bank) since 2009. Previously, Mr. Malone was the 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

	Halliburton Committees:
Age: 67	Health, Safety and Environment
Director Since: 1998	Nominating and Corporate Governance

Mr. Martin is the founder of Platte River Equity (formerly Platte River Ventures, L.L.C., 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 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.

DEBRA L. REED

	Halliburton Committees:
Age: 56	Nominating and Corporate Governance (Chair)
Director Since: 2001	Compensation

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) and of Genentech, Inc. (2005-2009). 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.

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 Securities and Exchange Commission, or SEC.

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class
BlackRock, Inc. 40 East 52nd Street, New York, NY 10022	64,394,649 (1)	6.94 %

(1) BlackRock, Inc. is a parent holding company and is deemed to be the beneficial owner of 64,394,649 shares. BlackRock, Inc. has sole power to vote or to direct the vote of 64,394,649 shares and has sole power to dispose or to direct the disposition of 64,394,649 shares.

The following table sets forth information, as of March 11, 2013, regarding the beneficial ownership of our common stock by each Director, each Director Nominee, and each Named Executive Officer, and by 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 Sole Voting and Investment Power (1), (2)	Shared Voting or Investment Power	Percent of Class
Alan M. Bennett	27,236		*
James R. Boyd	47,236		*
James S. Brown	523,869		*
Milton Carroll	20,271		*
Nance K. Dicciani	19,843		*
Murry S. Gerber	32,000		*
S. Malcolm Gillis	28,762		*
José C. Grubisich	—		
Abdallah S. Jum'ah	9,126		*
David J. Lesar	1,505,940	133,565 (3)	*
Robert A. Malone	14,843		*
J. Landis Martin	96,764 (4)		*
Mark A. McCollum	278,962		*
Jeffrey A. Miller	265,243		*
Timothy J. Probert	360,481		*
Debra L. Reed	33,562	500 (5)	*
Shares owned by all current Directors, Director Nominees and executive officers as a group (21 persons)	4,286,090		*

* Less than 1% of shares outstanding.

(1) The table includes shares of common stock eligible for purchase pursuant to outstanding stock options within 60 days of March 11, 2013 for the following: Mr. Brown - 123,533; Mr. Lesar - 837,100; Mr. McCollum - 114,301; Mr. Miller - 31,468; Mr. Probert - 161,687; and five unnamed executive officers - 379,945. Until the options are exercised, 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.

(2) 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. Bennett - 5,300 / 12,482; Mr. Boyd - 5,300 / 23,273; Mr. Carroll - 5,300 / 19,211; Ms. Dicciani - 5,300 / 5,324; Mr. Gerber - 5,272 / 0; Dr. Gillis - 5,300 / 0; Mr. Jum'ah - 5,300 / 0; Mr. Malone - 5,272 / 0; Mr. Martin - 5,300 / 0; Ms. Reed - 5,300 / 9,284. Mr. Grubisich was awarded 1,630 RSUs in connection with his election to the Board on March 20, 2013. Until the underlying shares 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 11, 2013, 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 11, 2013 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.

(4) Includes 61,602 shares held by Martin Enterprises LLC. Mr. Martin is the sole manager, and Mr. Martin and 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.

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 2013, are attached as Appendix A to this proxy statement and are also available on our website at www.halliburton.com by clicking on the tab “Investors,” 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 ethics for our executive officers can only be made by our Audit Committee. There were no waivers of the code of ethics in 2012.

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. 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).

The Board will only approve related persons transactions when the Board determines such transactions are in our best interests or the best interests of our stockholders. In determining whether to approve or ratify a related person transaction, the Board will apply the following standards and such other standards 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.

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.

Our independence standards meet, and in some instances exceed, the New York Stock Exchange's, or 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 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 2012, the Board held 6 meetings and met in Executive Session, without management present, on 11 occasions. Committee meetings were held as follows:

Audit Committee	8
Compensation Committee	5
Health, Safety and Environment Committee	5
Nominating and Corporate Governance Committee	4

All members of the Board attended at least 75% 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 2012 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.

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, the Board is composed of independent Directors. Our Lead Independent Director Charter can be found on our website at www.halliburton.com.

Independent Committees

As a 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 Senior 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.

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 NYSE and the SEC. The methods of communication with the Board include telephone, mail and e-mail.

Telephone	Mail	E-mail
888.312.2692	Board of Directors	
	c/o Director of Business Conduct	
or	Halliburton Company	
	P.O. Box 42806	BoardofDirectors@halliburton.com
770.613.6348	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, some items will not be forwarded to the Board such as advertisements, business solicitations, junk mail, resumes, or any communication that is overly hostile, threatening or illegal. 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.

Members of the Committees of the Board of Directors

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

* Chairperson

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 S. Malcolm Gillis are independent under our corporate governance guidelines and are “audit committee financial experts” as defined by the SEC. A copy of the Audit Committee Charter is available on our website at 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.

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.

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.

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 1 of this proxy statement, and for the Annual Meeting of Stockholders in 2014, must be received not less than ninety (90) days nor more than one hundred twenty (120) days prior to the anniversary date of the 2013 Annual Meeting of Stockholders, or no later than February 14, 2014 and no earlier than January 15, 2014.

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.

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 Board members, management and stockholders. A stockholder who wishes to recommend a prospective candidate should notify our Vice President and Corporate Secretary. 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, who conducted a director search and identified José C. Grubisich. Mr. Grubisich was elected to the Board on March 20, 2013.

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.

COMPENSATION DISCUSSION AND ANALYSIS

Executive Compensation Objectives

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).
- Consideration is also given to each component of the total compensation package in order to provide our Named Executive Officers, or NEOs, with competitive, market-driven compensation opportunities.
- 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.

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 ensures 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. Actual stock grants authorized for NEOs in 2012 are reflected in the Summary Compensation Table and the Grants of Plan-Based Awards in Fiscal 2012 and Outstanding Equity Awards at Fiscal Year End 2012 tables.

Role of the CEO in Setting Compensation

The CEO does not provide recommendations concerning his own total compensation, nor is he present when his total compensation is discussed by the Committee. The Committee, with input from its independent, external compensation consultant, discusses the elements of his total 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.

The CEO does, however, assist the Committee in setting executive compensation for the other NEOs. The CEO along with the independent, external compensation consultant to the Committee are guided by our compensation principles. They also consider current business conditions and make the following recommendations to the Committee:

- Base salary increases, 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 Halliburton Company 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.
- Discretionary 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 2012. PM&P provides executive compensation consulting services for the Committee. PM&P also provided industry related compensation survey data to us, the fees for which are less than $10,000. 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.

Comparator Peer Group

The 2012 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 2012 calendar year.

The comparator peer group used for our 2012 compensation review, which remains unchanged from the comparator peer group used for our 2011 compensation review, consisted of the following companies:

3M Company	Honeywell International Inc.
Anadarko Petroleum Corporation	Johnson Controls, Inc.
Apache Corporation	Murphy Oil Corporation
Baker Hughes Incorporated	National Oilwell Varco, Inc.
Caterpillar Inc.	Occidental Petroleum Corporation
Deere and Company	Raytheon Co.
Devon Energy Corporation	Schlumberger Ltd.
Emerson Electric Co.	Transocean Ltd.
Fluor	Weatherford International, Ltd.
Hess Corporation	The Williams Companies, Inc.

A slightly different comparator peer group is utilized for the 2012 cycle Performance Unit Program and is described in the Long-term Incentives—Performance Units section.

Role of Market Data

The market data is size adjusted as necessary by revenue so that it is comparable with our trailing twelve 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 at the 50th percentile 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 50th 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 to determine how each element of our total compensation for our NEOs compares to that of our comparator peer group and advises the Committee on the market data and its results.

Integration of Compensation Components, Plan Design, and Decision-Making Factors

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; and
- Detailed supplemental retirement award calculations.

Along with historical and prospective breakdowns, a competitive analysis is prepared by the independent, external compensation consultant 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 25th, 50th and 75th percentiles of the comparator peer group to current compensation for each of the NEOs.

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 our stockholders approved the compensation paid to our executives as described in the 2012 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 for 2013.

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 subjectively 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 50th percentile or higher for those years of superior performance and paying below the 50th 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 positions in the comparator peer group.

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 the base salary and stock awards for Mr. Lesar, the Committee takes into consideration competitive market pay levels for the CEOs within the comparator peer group. They also consider Mr. Lesar's accomplishments in the areas of business development and expansion, management succession, development and retention of management, and the achievement of financial and operational objectives.

Each year, Mr. Lesar and the members of the Board agree upon a set of objectives based on the categories listed in our corporate governance guidelines which include:

- 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 2012 through the following achievements:

- Halliburton and its business units maintained superior year over year relative performance against major competitors in terms of revenue, margins and Return on Capital Employed (performance of the business);
- Visibly led the organization through the business cycle through effective stakeholder communication and high visibility with employees, investors and customers (leadership and vision);
- Continued international diversification, capitalized on strategic merger and acquisition opportunities, grew market share in every product service line and developed relationships with key customers (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 and ensured that all employees and other key stakeholders understand that an incident-free workplace is achievable and must be driven by leadership and teamwork of our employees (performance of the business and leadership and vision);

- Continued to expose management to the Board, further enhanced management/employee succession process and focused senior management on talent development initiatives (development of management); and
- Continued to act in a role model capacity as it relates to ethical behavior and communicated regularly with the members of the Board providing status reports and notification of issues of immediate concern (integrity and keeping the Board informed).

The Committee considers Mr. Lesar's performance evaluation when determining his total compensation, including base salary and short- and long-term incentives, including stock awards.

Other NEO target total compensation is determined similar to that of the CEO. Actual total compensation, including base salary, stock awards and short- and long-term incentives, for Messrs. Lesar, McCollum, Brown and Probert were targeted to the 50th percentile pay levels of peer positions for 2012.

In September 2012, Mr. Miller became an executive officer upon his promotion to Executive Vice President and Chief Operating Officer, at which time his compensation was set by the Committee.

Base Salary

The Committee targets base salaries at the median of the comparator peer group in an effort to control fixed costs and to reward for performance in excess of the median through variable components of pay.

In evaluating market comparisons in setting base salary, the Committee also considers the following factors:

- 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.

Base pay amounts for the NEOs are listed in the Summary Compensation Table. For 2012:

- Mr. Lesar received a 7.0% increase in January 2012 to align his target total cash compensation with the 50th percentile of our comparator peer group.
- Mr. McCollum received a 1.4% increase in January 2012 to align his base salary with the 50th percentile of our comparator peer group.
- Mr. Brown received a 0.6% increase in January 2012 to align his base salary with the 50th percentile of our comparator peer group.
- Mr. Miller received a 13.3% increase in January 2012.
- Mr. Probert received a 5.5% increase in January 2012 to align his base salary with the 50th percentile of our comparator peer group.

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.

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 Halliburton Company Stock and Incentive Program.

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

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 typically apply a planned income tax rate (which may exclude large, non-recurring drivers of 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 of 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 2012 performance goals for Messrs. Lesar, McCollum, Brown and Probert based on company-wide consolidated CVA results. 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 2012 were $1,217 million at Threshold, $1,559 million at Target and $1,902 million at Maximum. Actual CVA for 2012 was $767 million.

Mr. Miller's performance goals included metrics aligned with the business operations for which he was responsible during 2012. Mr. Miller was measured on Halliburton Revenue, Division Net Operating Value Added (NOVA) and Hemisphere NOVA. NOVA utilizes balance sheet items under direct or indirect Division or Region control. It excludes interest income and foreign exchange gains and losses from operating income and uses only selected assets for the capital charge calculation that can be directly or indirectly impacted by Division or Region employee decisions. As such, NOVA functions similar to CVA.

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 Messrs. Lesar, McCollum, Brown and Probert's opportunities under the plan as follows:

NEO	Threshold Opportunity	Target Opportunity	Maximum Opportunity
Mr. Lesar	56%	140%	280%
Mr. McCollum	36%	90%	180%
Mr. Brown	40%	100%	200%
Mr. Miller (1)	20%	50%	100%
Mr. Probert	40%	100%	200%

(1) Mr. Miller was not under the purview of the Committee when his 2012 reward opportunity was set.

Threshold, Target, and Maximum opportunity dollar amounts can be found in the Grants of Plan-Based Awards in Fiscal 2012 table. The earned award for Mr. Miller is reflected in the Non-Equity Incentive Plan Compensation column of the Summary Compensation Table. Because actual CVA was less than Threshold CVA, no awards were earned by Messrs. Lesar, McCollum, Brown or Probert under the Annual Performance Pay Plan during 2012.

Over the past ten years, the Annual Performance Pay Plan achieved Maximum performance levels six times, achieved Target performance level one time, and fell short of the Threshold performance level three 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, also known as phantom stock. 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 is appropriate given our principle that executive pay should be closely tied to stockholder interests and is at-risk based on performance.

For 2012, we used a combination of long-term incentive vehicles, including time-based restricted stock, performance units, and nonqualified stock options. 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.

Granting 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. 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 shifts the focus to improving long-term returns on capital employed, as measured in relation to the comparator peer group.

In determining the size of long-term incentive awards, the Committee first considers market data references to the long-term incentive value 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 2012 long-term incentive awards for each NEO were based primarily on market data.

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 2012 table. The individual awards for each NEO made in 2012 were approved by the Committee with the exception of the January 3, 2012 grants to Mr. Miller, which were made prior to his appointment as an executive officer.

Restricted stock grants are generally subject to a graded vesting schedule of 20% per year over 5 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 was designed to provide NEOs and other selected executives with incentive opportunities based on the level of achievement of pre-established performance objectives during three-year performance periods. The purpose of the program is to reinforce our objectives for sustained long-term performance and value creation. It is also intended to reinforce strategic planning processes, balance short- and long-term decision making and help provide competitive total compensation opportunities.
The program measures our consolidated Return on Capital Employed, or ROCE, compared to both absolute goals and relative goals, as measured by the results achieved by our comparator peer group companies used for the Performance Unit Program. The three-year performance period aligns the program's measures 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:

ROCE=	Net income + after-tax interest expense
(Return on Capital Employed)	Stockholders' equity (average of beginning and end of period) + 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. We use this comparator peer group for the Performance Unit Program because these companies represent the timing, cyclicality, and volatility of the oil and natural gas industry and provide an appropriate basis for measuring our relative performance against the industry. The comparator peer group for the 2012 cycle Performance Unit Program, which remains unchanged from the comparator peer group used for the 2011 cycle Performance Unit Program, includes the following companies:

Anadarko Petroleum Corporation	Murphy Oil Corporation
Apache Corporation	Nabors Industries Ltd.
Baker Hughes Incorporated	National Oilwell Varco, Inc.
Cameron International Corporation	Schlumberger Ltd.
Chesapeake Energy Corporation	Transocean Ltd.
Devon Energy Corporation	Weatherford International, Ltd.
Hess Corporation	The Williams Companies, Inc.
Marathon Oil Corporation	

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 five times, between maximum and target three times, target one time, and below target one time.

2010 Cycle Performance Unit Program Payout for NEOs

The 2010 cycle of the Performance Unit Program ended on December 31, 2012. Both absolute and relative performance measures are established at the beginning of each cycle and approved by the Committee. The 2010 cycle required a three-year average ROCE above 11% to achieve the Maximum level on an absolute basis, and a three-year average ROCE above the 75th percentile of the ROCE for our comparator peer group to achieve the Maximum level on a relative basis. The three-year average ROCE for our comparator peer group at the 75th percentile was 11.06%. Our three-year average ROCE for the 2010 cycle was 17.27%. Because our results for this cycle were in excess of the Maximum levels on both an absolute basis and relative to our comparator peer group, the NEOs received payments in 2012 as set forth in the Non-Equity Incentive Plan Compensation column in the Summary Compensation Table and in the related narrative following the table.

2012 Cycle Performance Unit Program Opportunities for NEOs

Individual incentive opportunities are established based on market references and in accordance with our practice of granting a mix of long-term incentive vehicles. 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 2012 table indicate the potential payout for each NEO under the Performance Unit Program for the 2012 cycle. The potential payouts are performance driven and completely at risk.

Opportunity levels were determined based upon market data of our comparator peer group and the NEO's role within the organization. Actual payout amounts, if any, will not be known until the three year cycle closes on December 31, 2014.

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 $7.9 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 $2.1 million in his qualified benefit plans at retirement and $3.0 million in his nonqualified retirement plans at retirement. Since the total of these two sources is $5.1 million, a shortfall of $2.8 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 by the Committee at their discretion.

Allocations are made annually for each NEO who participates in the SERP, as approved by the Committee. However, participation one year does not guarantee future participation. The average annual amounts allocated over the history of participation are as follows: Mr. Lesar: $289,053; Mr. McCollum: $144,800; Mr. Brown: $382,400; Mr. Miller: $234,000; and Mr. Probert: $140,500.

In 2012, the Committee authorized retirement allocations under the SERP to all NEOs as listed in the 2012 Nonqualified Deferred Compensation table and as included in the All Other Compensation column in the Summary Compensation Table.

Messrs. Lesar and Probert are fully vested in their respective account balances. Balances earn interest at an annual rate of 5%. Beginning in 2005 and continuing through 2008, the SERP required executives to have participated in the plan for five or more consecutive years in order for those contributions to vest. Mr. Brown began participating in the SERP in 2008 and, as a result, he is not fully vested in the awards made in 2008. 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. Messrs. McCollum and Miller do not meet the vesting requirements for awards made in 2009 and subsequent years.

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 included in the Supplemental Table: All Other Compensation detail the amounts we contributed on behalf of each NEO under the plan.

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 four benchmark investment choices with varying degrees of risk.

In 2012, Mr. Brown participated in this plan by deferring a percentage of his compensation. Messrs. Lesar and Probert have account balances from participation in prior years. Messrs. McCollum and Miller are not participants in the plan. Further details can be found in the 2012 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 2012, all NEOs received awards under this plan in the amounts included in the Supplemental Table: All Other Compensation and the 2012 Nonqualified Deferred Compensation table.

Defined Benefit Pension Plans

None of our NEOs participated in any defined benefit pension plans as we no longer offer these types of plans to our U.S. employees. Also, the NEOs are not participants in any previously offered pension plans, which are now also frozen.

Perquisites

Health care and insurance coverage for our NEOs is the same as that provided to all active employees. In addition, we provide our NEOs and other highly compensated employees a physical examination benefit to be voluntarily utilized on an annual basis.

Country club memberships are limited and provided on an as-needed basis for business purposes only. Messrs. Brown and Miller had club memberships in 2012.

We do not provide cars or car allowances. 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 while he is in Dubai and Houston.

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 assessments and measures at the personal residence of Messrs. Lesar, McCollum, Miller and Probert during 2012.

At the direction of the Board, Mr. Lesar, his spouse and children use company aircraft for all travel. Other than Mr. Lesar, no NEO used company aircraft for personal use in 2012. Spouses are allowed to travel on select business trips.

In 2007, Mr. Lesar relocated to Dubai and became an expatriate under our business practice regarding long-term expatriate assignments. In 2012, Mr. Lesar continued to waive his right to all assignment allowances provided under the terms of our business practice.

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
- 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.

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.

As of December 31, 2012, all NEOs met the requirements.

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 tables in this proxy statement indicate 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.

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

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, 2012.

Name and Principal Position	Year	Salary ($)	Bonus ($)	Stock Awards ($)	Option Awards ($)	Non-Equity Incentive Plan Comp. ($)	Change In Pension Value and NQDC Earnings ($)	All Other Comp. ($)	Total ($)
David J. Lesar	2012	1,530,000	0	5,055,150	2,602,894	6,400,000	256,922	1,606,845	17,451,811
Chairman of the Board,	2011	1,430,000	0	3,912,700	1,719,828	7,182,000	189,120	1,443,970 (1)	15,877,618 (1)
President and Chief Executive Officer	2010	1,358,500	0	3,773,997	1,475,258	6,838,800	104,227	1,343,134	14,893,916
Mark A. McCollum	2012	661,000	0	1,068,650	549,486	2,021,600	35,746	405,052	4,741,534
Executive Vice President and	2011	652,000	0	917,706	402,384	2,233,400	21,526	423,148	4,650,164
Chief Financial Officer	2010	600,000	0	979,750	383,840	1,762,500	8,411	358,647	4,093,148
James S. Brown	2012	633,000	0	1,376,850	708,974	2,274,400	81,363	725,457	5,800,044
President -Western Hemisphere	2011	629,000	0	6,205,842	529,644	2,100,550	29,312	709,566	10,203,914
	2010	550,000	0	913,127	356,521	1,263,750	39,954	565,148	3,688,500
Jeffrey A. Miller	2012	425,000	0	3,997,150	1,109,917	692,437	1,126	378,556	6,604,186
Executive Vice President and Chief Operating Officer									
Timothy J. Probert	2012	633,000	0	1,376,850	708,974	2,274,400	144,357	433,570	5,571,151
President - Strategy &	2011	600,000	0	1,205,823	529,644	1,526,250	128,701	383,308	4,373,726
Corporate Development	2010	450,000	0	913,127	356,521	1,147,500	91,175	223,368	3,181,691

(1) Includes an additional $38,240 of incremental cost to us for Mr. Lesar's personal use of our aircraft that was inadvertently not included in our 2011 proxy statement.

Salary. The amounts represented in the Salary column are attributable to annual salary earned by each NEO. Information related to salary increases in 2012 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 2012. Accounting Standards Codification (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 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 2012. 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 11 to the Consolidated Financial Statements, Stock-based Compensation, in the Halliburton Company Form 10-K for the fiscal year ended December 31, 2012.

Non-Equity Incentive Plan Compensation. The amounts represented in the Non-Equity Incentive Plan Compensation column are for amounts earned in 2012 and paid in 2013 for the Halliburton Annual Performance Pay Plan and on December 31, 2012 for the 2010 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 2012 Halliburton Annual Performance Pay Plan and the 2012 cycle of the Performance Unit Program can be found in the Grants of Plan-Based Awards in Fiscal 2012 table under the Estimated Future Payouts Under Non-Equity Incentive Plan Awards.

As discussed in the Compensation Discussion and Analysis, no amounts were earned by Messrs. Lesar, McCollum, Brown or Probert under the 2012 Halliburton Annual Performance Pay Plan because the minimum threshold performance level was not achieved. As further discussed in the Compensation Discussion and Analysis, Mr. Miller was measured on different metrics than the other NEOs and he was paid $307,437 for 2012.

The 2010 cycle Performance Unit Program amounts paid to each NEO are: $6,400,000 for Mr. Lesar; $2,021,600 for Mr. McCollum; $2,274,400 for Mr. Brown; $385,000 for Mr. Miller; and $2,274,400 for Mr. Probert.

The amounts paid to the NEOs for the 2010 cycle Performance Unit Program differ from what is shown in the Grants of Plan-Based Awards in Fiscal Year 2012 table under Estimated Future Payments Under Non-Equity Incentive Plan Awards. The Grants of Plan-Based Awards in Fiscal Year 2012 table indicates the potential award amounts for Threshold, Target and Maximum under the 2012 cycle Performance Unit Program, which will close on December 31, 2014. The Summary Compensation Table shows amounts paid for a prior program cycle, the 2010 cycle, which closed on December 31, 2012.

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, 2012. The 120% AFR rate used for determining above-market earnings in 2012 was 2.89%.

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 2.11% (5% (plan interest) minus 2.89% (120% AFR rate)) for 2012. The amounts shown in this column differ from the amounts shown for the Halliburton Company Supplemental Executive Retirement Plan in the 2012 Nonqualified Deferred Compensation table under the Aggregate Earnings in Last Fiscal Year column because the 2012 Nonqualified Deferred Compensation 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: $143,958 for Mr. Lesar; $29,083 for Mr. McCollum; $32,125 for Mr. Brown; and $26,486 for Mr. Probert. Mr. Miller received his first award under the Supplemental Executive Retirement Plan on December 31, 2012 and, therefore, he did not receive any earnings during 2012.

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 3.11% (6% (plan interest earned in 2012) minus 2.89% (120% AFR rate)) for 2012. The amounts shown in this column differ from the amounts shown for the Halliburton Company Benefit Restoration Plan in the 2012 Nonqualified Deferred Compensation table under the Aggregate Earnings in Last Fiscal Year column because the 2012 Nonqualified Deferred Compensation 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: $72,442 for Mr. Lesar; $6,663 for Mr. McCollum; $5,579 for Mr. Brown; $1,126 for Mr. Miller; and $7,531 for Mr. Probert.

Halliburton Company Elective Deferral Plan Above-Market Earnings. The average earnings for the balances associated with the Halliburton Company Elective Deferral Plan were 7.30% for 2012. The above-market earnings associated with this plan equaled 4.41% (7.30% minus 2.89% (120% AFR rate)) for 2012. The amounts shown in this column differ from the amounts shown for the Halliburton Company Elective Deferral Plan in the 2012 Nonqualified Deferred Compensation table under the Aggregate Earnings in Last Fiscal Year column because the 2012 Nonqualified Deferred Compensation table includes all earnings and losses and the Summary Compensation Table shows above-market earnings only.

Messrs. Lesar, Brown and Probert earned above-market earnings for balances associated with the Halliburton Company Elective Deferral Plan as follows: $40,552 for Mr. Lesar; $43,569 for Mr. Brown; and $110,340 for Mr. Probert. Messrs. McCollum and Miller are not participants in the Halliburton Company Elective Deferral Plan and do not have any prior balances in the plan.

All Other Compensation. Detailed information for amounts included in the All Other Compensation column can be found in the following supplemental table entitled Supplemental Table: All Other Compensation.

SUPPLEMENTAL TABLE: ALL OTHER COMPENSATION

The following table details the components of the All Other Compensation column of the Summary Compensation Table for 2012.

Name	Employee Physical ($)	Financial Planning ($)	Halliburton Foundation ($)	Halliburton Giving Choices ($)	HALPAC ($)	Restricted Stock Dividends ($)	HRSP Employer Match ($)	HRSP Basic Contribution ($)	Benefit Restoration Plan ($)	SERP ($)	All Other ($)	Total ($)
David J. Lesar	0	15,000	100,000	1,000	5,000	152,513	12,500	10,000	115,200	714,000	481,632	1,606,845
Mark A. McCollum	0	0	40,000	1,000	5,000	34,713	12,394	10,000	36,990	259,000	5,955	405,052
James S. Brown	0	8,000	0	600	4,969	136,209	12,239	10,000	34,470	488,000	30,970	725,457
Jeffrey A. Miller	2,278	0	0	375	5,000	55,616	11,865	10,000	15,750	234,000	43,672	378,556
Timothy J. Probert	567	0	0	756	5,000	36,137	9,653	10,000	34,470	336,000	987	433,570

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 2012. 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. The Halliburton Foundation matches donations up to $20,000 on a two-for-one basis. Mr. Lesar participates in the Halliburton Foundation's matching program for Directors, which allows his contributions up to $50,000 to qualified organizations to be matched on a two-for-one 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 2012.

Halliburton Political Action Committee. The Halliburton Political Action Committee allows NEOs and other eligible employees to donate to political candidates and participate in the political process. We match the donation 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 2012.

Restricted Stock Dividends. This is the amount of dividends paid on restricted stock held by NEOs in 2012.

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 $250,000 in 2012.

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, 2012, each employee receives a contribution equal to 4% of their eligible base pay, up to the 401(a)(17) compensation limit of $250,000 in 2012.

Halliburton Company Benefit Restoration Plan. This is the award earned under the Halliburton Company Benefit Restoration Plan in 2012. 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 2012 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 2012 Nonqualified Deferred Compensation table.

All Other.

Country Club Membership Dues. The amount is based on the monthly membership dues. Club memberships are approved for business purposes only. During 2012, we paid club membership dues for Messrs. Brown and Miller. The amounts incurred were $30,970 for Mr. Brown and $8,456 for Mr. Miller.

Aircraft Usage. Mr. Lesar and his spouse and children use our aircraft for all travel for security reasons as directed by the Board. The incremental cost to us for this personal use of our aircraft in 2012 was $343,534. Other than Mr. Lesar, no NEO used our aircraft for personal use in 2012. For total compensation purposes in 2012, 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. Spouses of NEOs are allowed to travel on select business trips when there is a valid business reason. We impute income to the NEO for the value of the spousal trip and make a payment to offset the tax impact of the imputed income. For 2012, Mr. Lesar had imputed income from spousal travel for business purposes and an associated tax payment as follows: $34,107 imputed income and $19,563 tax payment.

Home Security. We provide security for residences based on a risk assessment which considers the NEO's position. In 2012, home security was provided for the residences of Messrs. Lesar, McCollum, Miller and Probert as follows: $32,761 for Mr. Lesar; $5,955 for Mr. McCollum; $35,216 for Mr. Miller; and $987 for Mr. Probert.

Car/Driver. A car and driver have been assigned to Mr. Lesar while in the United States so that he can work while in transit to allow him to meet customer and our needs. The amount has been determined by his average commute time multiplied by his driver's hourly rate. The cost to us was $14,954 in 2012. In addition, Mr. Lesar is provided with a car and driver in Dubai. The cost to us was $1,741 in 2012.

Other Compensation for Mr. Lesar. In 2012, Mr. Lesar received $20,222 in imputed income for relocation, $11,516 for tax equalization, and $3,234 in imputed income for excess benefits.

GRANTS OF PLAN-BASED AWARDS IN FISCAL 2012

The following table represents amounts associated with the 2012 cycle Performance Unit Program, the 2012 Annual Performance Pay Plan, and restricted stock and stock option awards granted in 2012 to our NEOs.

Name	Grant Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards Threshold ($)	Target ($)	Maximum ($)		All Other Stock Awards: Number of Shares of Stock or Units (#)		All Other Option Awards: Number of Securities Underlying Options (#)	Exercise or Base Price of Option Awards ($/Share)	Grant Date Fair Value of Stock and Option Awards ($)
David J. Lesar		1,994,200	3,988,400	7,976,800	(1)					
		856,800	2,142,000	4,284,000	(2)					
	12/05/2012					150,900				5,055,150
	12/05/2012							208,900	33.50	2,602,894
Mark A. McCollum		467,000	934,000	1,868,000	(1)					
		237,960	594,900	1,189,800	(2)					
	12/05/2012					31,900				1,068,650
	12/05/2012							44,100	33.50	549,486
James S. Brown		614,000	1,228,000	2,456,000	(1)					
		253,200	633,000	1,266,000	(2)					
	12/05/2012					41,100				1,376,850
	12/05/2012							56,900	33.50	708,974
Jeffrey A. Miller		138,125	276,250	552,500	(1)					
		85,000	212,500	425,000	(2)					
	01/03/2012					9,000				307,350
	01/03/2012							11,500	34.15	148,005
	09/19/2012					50,000	(3)			1,820,500
	12/05/2012					55,800				1,869,300
	12/05/2012							77,200	33.50	961,912
Timothy J. Probert		614,000	1,228,000	2,456,000	(1)					
		253,200	633,000	1,266,000	(2)					
	12/05/2012					41,100				1,376,850
	12/05/2012							56,900	33.50	708,904

(1) Indicates opportunity levels under the 2012 cycle of the Performance Unit Program. The cycle will close on December 31, 2014.

(2) Indicates opportunity levels under the 2012 Halliburton Annual Performance Pay Plan.

(3) Mr. Miller received a special restricted stock award in recognition of his promotion to Executive Vice President and Chief Operating Officer. The shares vest 100% after 5 years.

As indicated by footnote (1), the opportunities for each NEO under the 2012 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 2012 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 2012 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, Net Operating Value Added, and Revenue 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 2012 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 Halliburton Company 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, with the exception of the January 3, 2012 grants to Mr. Miller which were made prior to his appointment as an executive officer. With the exception of the specific award noted in footnote (3), the annual restricted stock grants awarded to the NEOs in 2012 are subject to a graded vesting schedule of 20% per year over 5 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 $0.09 per share during 2012 and was increased to $0.125 per share in March, 2013. 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 2012 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.

OUTSTANDING EQUITY AWARDS AT FISCAL YEAR END 2012

The following table represents outstanding stock option and restricted stock awards for our NEOs as of December 31, 2012.

Name	Grant Date	Option Awards Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price ($)	Option Expiration Date	Stock Awards Number of Shares or Units of Stock Not Vested (#)	Market Value of Shares or Units of Stock Not Vested ($)
David J. Lesar[(1)]	12/07/2005	180,000	0	32.39	12/07/2015		
	12/06/2006	348,699	0	33.17	12/06/2016	33,750	1,170,788
	12/05/2007	110,700	0	36.90	12/05/2017		
	12/02/2008	87,716	0	15.42	12/02/2018	50,606	1,755,522
	12/01/2009	128,400	0	29.35	12/01/2019	42,000	1,456,980
	12/01/2010	72,000	36,000	39.19	12/01/2020	57,780	2,004,388
	12/06/2011	47,301	94,599	35.57	12/06/2021	88,000	3,052,720
	12/05/2012	0	208,900	33.50	12/05/2022	150,900	5,234,721
Total		974,816	339,499			423,036	14,675,119
Mark A. McCollum[(2)]	12/07/2005	7,000	0	32.39	12/07/2015		
	12/06/2006	13,400	0	33.17	12/06/2016	5,200	180,388
	12/05/2007	12,000	0	36.90	12/05/2017		
	02/13/2008	11,500	0	35.67	02/13/2018	2,060	71,461
	12/02/2008					9,740	337,881
	12/01/2009	40,600	0	29.35	12/01/2019	13,280	460,683
	12/01/2010	18,734	9,366	39.19	12/01/2020	15,000	520,350
	12/06/2011	11,067	22,133	35.57	12/06/2021	20,640	716,002
	12/05/2012	0	44,100	33.50	12/05/2022	31,900	1,106,611
Total		114,301	75,599			97,820	3,393,376
James S. Brown[(3)]	01/06/2006	6,000	0	33.03	01/06/2016		
	01/03/2007	13,400	0	29.87	01/03/2017	6,500	225,485
	02/13/2008	10,000	0	35.67	02/13/2018	2,000	69,380
	10/07/2008					68,838	2,387,990
	12/02/2008					9,600	333,024
	12/02/2008	16,566	0	15.42	12/02/2018	97,276	3,374,504
	12/01/2009	45,600	0	29.35	12/01/2019	14,920	517,575
	12/01/2010	17,400	8,700	39.19	12/01/2020	13,980	484,966
	05/18/2011					106,474	3,693,583
	12/06/2011	14,567	29,133	35.57	12/06/2021	27,120	940,793
	12/05/2012	0	56,900	33.50	12/05/2022	41,100	1,425,759
Total		123,533	94,733			387,808	13,453,059
Jeffrey A. Miller[(4)]	01/06/2006	3,800	0	33.03	01/06/2016		
	01/03/2007	3,100	0	29.87	01/03/2017	1,500	52,035
	01/04/2008	4,400	0	38.01	01/04/2018	10,800	374,652

	12/15/2008					20,000	693,800
	01/02/2009	2,500	0	19.45	01/02/2019	2,840	98,520
	01/01/2010	7,200	3,600	30.09	01/01/2020	11,400	395,466
	01/01/2011	2,767	5,533	40.83	01/01/2021	10,000	346,900
	09/27/2011					50,000	1,734,500
	01/03/2012	0	11,500	34.15	01/03/2022	9,000	312,210
	09/19/2012					50,000	1,734,500
	12/05/2012	0	77,200	33.50	12/05/2022	55,800	1,935,702
Total		23,767	97,833			221,340	7,678,285

Name	Grant Date	Option Awards Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price ($)	Option Expiration Date	Stock Awards Number of Shares or Units of Stock Not Vested (#)	Market Value of Shares or Units of Stock Not Vested ($)
Timothy J. Probert(5)	01/29/2003					3,000	104,070
	03/16/2004	14,000	0	14.43	03/16/2014		
	04/07/2005	10,920	0	22.56	04/07/2015		
	01/06/2006	11,000	0	33.03	01/06/2016		
	01/03/2007	13,400	0	29.87	01/03/2017	6,500	225,485
	02/13/2008	8,400	0	35.67	02/13/2018	1,520	52,729
	12/02/2008	26,400	0	15.42	12/02/2018	5,080	176,225
	12/01/2009	45,600	0	29.35	12/01/2019	14,920	517,575
	12/01/2010	17,400	8,700	39.19	12/01/2020	13,980	484,966
	12/06/2011	14,567	29,133	35.57	12/06/2021	27,120	940,793
	12/05/2012	0	56,900	33.50	12/05/2022	41,100	1,425,759
Total		161,687	94,733			113,220	3,927,602

(1) Mr. Lesar's stock option awards vest annually in equal amounts over three-year vesting schedules. His 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.

(2) Mr. McCollum's stock option awards vest annually in equal amounts over three-year vesting schedules. His 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.

(3) Mr. Brown's stock option awards vest annually in equal amounts over three-year vesting schedules. His restricted 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 October 7, 2008 restricted stock award, which vests 100% on the fifth anniversary of the grant, the December 2, 2008 restricted stock award of 97,276 shares which begins vesting on the sixth anniversary of the award, at which time it vests 20% annually through year ten, and the May 18, 2011 restricted stock award, which vests 100% on May 30, 2016.

(4) Mr. Miller's stock option awards vest annually in equal amounts over three-year vesting schedules. His restricted 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 December 15, 2008, September 27, 2011, and September 19, 2012 awards, which vest 100% on the fifth anniversary of the grant.

(5) Mr. Probert's stock option awards vest annually in equal amounts over three-year vesting schedules. His restricted stock awards vest in equal amounts over each grant's five-year vesting schedule, except for the January 29, 2003 and January 3, 2007 awards, which vest in equal amounts over ten years.

The nonqualified stock option awards listed under Option Awards include outstanding awards, exercisable and unexercisable, as of December 31, 2012.

The restricted stock awards under Stock Awards are the number of shares not vested as of December 31, 2012. 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 $34.69 on December 31, 2012.

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 2012 table contain additional information on stock option and restricted stock awards.

2012 OPTION EXERCISES AND STOCK VESTED

The following table represents stock options exercised and restricted shares that vested during fiscal year 2012 for our NEOs.

Name	Option Awards Number of Shares Acquired on Exercise (#)	Value Realized on Exercise ($)	Stock Awards Number of Shares Acquired on Vesting (#)	Value Realized on Vesting ($)
David J. Lesar	0	0	384,370	13,634,138
Mark A. McCollum	16,800	266,848	63,160	2,226,740
James S. Brown	0	0	61,720	2,196,255
Jeffrey A. Miller	0	0	8,820	304,758
Timothy J. Probert	0	0	54,560	1,948,394

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 2012.

2012 NONQUALIFIED DEFERRED COMPENSATION

The 2012 Nonqualified Deferred Compensation table reflects balances in our nonqualified plans as of January 1, 2012, contributions made by the NEO and us during 2012, any earnings (the net of the gains and losses on funds, as applicable) and the ending balance as of December 31, 2012. 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	01/01/12 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	6,779,240	0	714,000	339,878	0	7,833,118
	Benefit Restoration	2,317,217	0	115,200	139,409	0	2,571,826
	Elective Deferral	998,335	0	0	69,434	0	1,067,769
	Total	10,094,792	0	829,200	548,721	0	11,472,713
Mark A. McCollum	SERP	1,369,568	0	259,000	68,664	0	1,697,232
	Benefit Restoration	213,108	0	36,990	12,822	0	262,920
	Total	1,582,676	0	295,990	81,486	0	1,960,152
James S. Brown	SERP	1,512,756	0	488,000	75,843	0	2,076,599
	Benefit Restoration	178,453	0	34,470	10,737	0	223,660
	Elective Deferral	715,118	31,650	0	64,807	0	811,575
	Total	2,406,327	31,650	522,470	151,387	0	3,111,834
Jeffrey A. Miller	SERP	0	0	234,000	0	0	234,000
	Benefit Restoration	36,026	0	15,750	2,168	0	53,944
	Total	36,026	0	249,750	2,168	0	287,944
Timothy J. Probert	SERP	1,247,248	0	336,000	62,531	0	1,645,779
	Benefit Restoration	240,889	0	34,470	14,493	0	289,852
	Elective Deferral	3,135,716	0	0	201,151	0	3,336,867
	Total	4,623,853	0	370,470	278,175	0	5,272,498

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 and Probert are fully vested in their respective account balances. Balances earn interest at an annual rate of 5%. Beginning in 2005 and continuing through 2008, the SERP required executives to have participated in the plan for five or more consecutive years in order for those contributions to vest. Mr. Brown began participating in the SERP in 2008 and, as a result, he is not fully vested in the awards made in 2008. 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. Messrs. McCollum and Miller do not meet the vesting requirements for awards made in 2009 and subsequent years.

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 2012.

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 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 four 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 2012. 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 Probert 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 Probert, the reasons for termination of employment (other than death) are defined as follows:

(i) 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 rank or responsibility with us, provided that (i) employee provides written notice to us of the circumstances employee claims constitute “Good Reason” within ninety calendar days of the first to occur of such circumstances, (ii) such breach remains uncorrected for thirty 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 thirty 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 Probert 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 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
- 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, 2012.

		Termination Event						
Name	Payments	Resignation ($)	Early Retirement w/o Approval ($)	Early Retirement w/Approval ($)	Normal Retirement ($)	Term for Cause ($)	Term w/o Cause ($)	Change in Control ($)
David J. Lesar	Severance	0	0	0	0	0	7,650,000	—
	Annual Perf. Pay Plan	0	0	4,284,000	4,284,000	0	4,284,000	4,284,000
	Restricted Stock	0	0	14,675,117	14,675,117	0	14,675,117	14,675,117
	Stock Options	3,319,966	3,319,966	3,568,557	3,568,557	3,319,966	3,568,557	3,568,557
	Performance Units	0	0	7,096,980	7,096,980	0	0	7,096,980
	Nonqualified Plans	11,472,725	11,472,725	11,472,725	11,472,725	11,472,725	11,472,725	—
	Health Benefits	0	12,000	12,000	0	0	0	—
	Total	14,792,691	14,804,691	41,109,379	41,097,379	14,792,691	41,650,399	29,624,654

		Termination Event						
Name	Payments	Resignation ($)	Early Retirement w/o Approval ($)	Early Retirement w/Approval ($)	Normal Retirement ($)	Term for Cause ($)	Term w/o Cause ($)	Change in Control ($)
Mark A. McCollum	Severance	0	0	0	0	0	1,322,000	—
	Annual Perf. Pay Plan	0	0	1,189,800	1,189,800	0	1,189,800	1,189,800
	Restricted Stock	0	0	3,393,376	3,393,376	0	3,393,376	3,393,376
	Stock Options	253,272	253,272	305,751	305,751	253,272	305,751	305,751
	Performance Units	0	0	1,776,267	1,776,267	0	0	1,776,267
	Nonqualified Plans	991,634	991,634	991,634	991,634	991,634	991,634	—
	Health Benefits	0	0	0	0	0	0	—
	Total	1,244,906	1,244,906	7,656,828	7,656,828	1,244,906	7,202,561	6,665,194

		Termination Event						
Name	Payments	Resignation ($)	Early Retirement w/o Approval ($)	Early Retirement w/Approval ($)	Normal Retirement ($)	Term for Cause ($)	Term w/o Cause ($)	Change in Control ($)
James S. Brown	Severance	0	0	0	0	0	1,266,000	—

Annual Perf. Pay Plan	0	0	1,266,000	1,266,000	0	1,266,000	1,266,000
Restricted Stock	0	0	13,453,060	13,453,060	0	13,453,060	13,453,060
Stock Options	637,309	637,309	705,020	705,020	637,309	705,020	705,020
Performance Units	0	0	1,890,667	1,890,667	0	0	1,890,667
Nonqualified Plans	2,855,399	2,855,399	2,855,399	2,855,399	2,855,399	2,855,399	—
Health Benefits	0	12,000	12,000	0	0	0	—
Total	3,492,708	3,504,708	20,182,146	20,170,146	3,492,708	19,545,479	17,314,747

Name	Payments	Termination Event Resignation ($)	 Early Retirement w/o Approval