

ANADARKO PETROLEUM CORP

Form DEF 14A

March 23, 2015

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the

Securities Exchange Act of 1934

(Amendment No.)

Filed by the Registrant ☐

Filed by a Party other than the Registrant ☐

Check the appropriate box:

☐ Preliminary Proxy Statement

☐ **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**

☐ Definitive Proxy Statement

☐ Definitive Additional Materials

☐ Soliciting Material under Rule 14a-12

Anadarko Petroleum Corporation

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

☐ No fee required.

☐ Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.

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

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

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

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

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March 23, 2015

TO OUR STOCKHOLDERS:

The 2015 Annual Meeting of Stockholders of Anadarko Petroleum Corporation will be held at The Woodlands Waterway Marriott Hotel and Convention Center, 1601 Lake Robbins Drive, The Woodlands, Texas 77380 on Tuesday, May 12, 2015, at 8:00 a.m. (Central Daylight Time).

The attached Notice of Annual Meeting of Stockholders and proxy statement provide information about the matters to be considered at the Annual Meeting. The Annual Meeting will cover only the business contained in the proxy statement and will not include a management presentation.

We also provide access to our proxy materials over the Internet. As a result, we are mailing to most of our stockholders a Notice of Internet Availability of Proxy Materials (Notice) instead of a paper copy of this proxy statement, a proxy card and our 2014 annual report. The Notice contains instructions on how to access those documents over the Internet, as well as instructions on how to request a paper copy of our proxy materials. All stockholders who do not receive a Notice should receive a paper copy of the proxy materials by mail. We believe that the Notice process will allow us to provide you with the information you need in a more timely manner, will save the cost of printing and mailing documents to you, and will conserve natural resources.

Your vote is important and we encourage you to vote even if you are unable to attend the Annual Meeting. You may vote by Internet or by telephone using the instructions on the Notice, or, if you received a paper copy of the proxy card, by signing and returning it in the pre-addressed postage-paid envelope provided for your convenience. You may also attend and vote at the Annual Meeting.

Very truly yours,

R. A. WALKER

Chairman of the Board, President

and Chief Executive Officer

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1201 Lake Robbins Drive

The Woodlands, Texas 77380-1046

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

The Annual Meeting of Stockholders of Anadarko Petroleum Corporation will be held at The Woodlands Waterway Marriott Hotel and Convention Center, 1601 Lake Robbins Drive, The Woodlands, Texas 77380 on Tuesday, May 12, 2015, at 8:00 a.m. (Central Daylight Time) to consider the following proposals:

- (1) elect ten directors;
- (2) ratify the appointment of KPMG LLP as the Company's independent auditor for 2015;
- (3) an advisory vote to approve the Company's named executive officer compensation;
- (4) if presented, vote on the stockholder proposals set forth on pages 83 through 88 in the accompanying proxy statement; and
- (5) transact such other business as may properly come before the Annual Meeting and any adjournments or postponements thereof.

If you are a holder of record of common stock at the close of business on March 17, 2015, the record date, then you are entitled to receive notice of, and to vote at, the Annual Meeting.

Please take the time to vote by following the Internet or telephone voting instructions provided. If you received a paper copy of the proxy card, you may vote by completing and mailing the proxy card in the pre-addressed, postage-paid envelope provided for your convenience. You may also attend and vote at the Annual Meeting. **You may revoke your proxy at any time before the vote is taken by following the instructions in this proxy statement.**

As a stockholder, your vote is very important and the Company's Board of Directors strongly encourages you to exercise your right to vote.

BY ORDER OF THE BOARD OF DIRECTORS

Amanda M. McMillian

Vice President, Deputy General Counsel,

Corporate Secretary and Chief Compliance Officer

March 23, 2015

The Woodlands, Texas

Important Notice Regarding the Availability of Proxy Materials

for the Stockholder Meeting to be Held on May 12, 2015:

The proxy statement and annual report for 2014 are available at

<https://materials.proxyvote.com/032511>

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1201 Lake Robbins Drive

The Woodlands, Texas 77380-1046

PROXY STATEMENT

ANNUAL MEETING OF STOCKHOLDERS

May 12, 2015

We are furnishing you this proxy statement in connection with the solicitation of proxies by our Board of Directors (Board) to be voted at the 2015 Annual Meeting of Stockholders (Annual Meeting) of Anadarko Petroleum Corporation, a Delaware corporation, sometimes referred to herein as the Company, Anadarko, us, we or like terms. The Annual Meeting will be held on Tuesday, May 12, 2015, at 8:00 a.m. (Central Daylight Time). The proxy materials, including this proxy statement, proxy card or voting instructions and our 2014 annual report, are being distributed and made available on or about March 27, 2015.

We provide our stockholders access to our proxy materials on the Internet. Accordingly, a Notice of Internet Availability of Proxy Materials (Notice) will be mailed to most of our stockholders on or about March 27, 2015. Stockholders will have the ability to access the proxy materials on the website referred to in the Notice or request a printed set of the proxy materials to be sent to them by following the instructions in the Notice.

The Notice also provides instructions on how to inform us whether to send future proxy materials to you electronically by e-mail or in printed form by mail. If you choose to receive future proxy materials by e-mail, you will receive an e-mail next year with instructions containing a link to those materials and a link to the proxy voting site. Your election to receive proxy materials by e-mail or printed form will remain in effect until you terminate it.

Choosing to receive future proxy materials by e-mail will allow us to provide you with the information you need in a more timely manner, save us the cost of printing and mailing documents to you, and conserve natural resources.

QUESTIONS AND ANSWERS ABOUT THE ANNUAL MEETING

Where and when is the Annual Meeting?

The Annual Meeting will be held at The Woodlands Waterway Marriott Hotel and Convention Center, 1601 Lake Robbins Drive, The Woodlands, Texas 77380, on Tuesday, May 12, 2015, at 8:00 a.m. (Central Daylight Time).

Who may vote?

You may vote if you were a holder of record of Anadarko common stock as of the close of business on March 17, 2015, the record date for the Annual Meeting. Each share of Anadarko

common stock is entitled to one vote at the Annual Meeting. On the record date, there were 515,477,424 shares of common stock outstanding and entitled to vote at the Annual Meeting. There are no cumulative voting rights associated with Anadarko common stock.

May I attend the Annual Meeting?

Yes. Attendance is limited to stockholders of record as of the record date for the Annual Meeting, Company employees, and certain guests invited by the Company. Admission will be on a first-come, first-served basis. You may be asked to present valid picture identification, such as a

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driver's license or passport. If your shares of common stock are held in the name of a bank, broker, or other holder of record and you plan to attend the Annual Meeting, you must present proof of your ownership, such as a current bank or brokerage account statement reflecting ownership as of the record date for the Annual Meeting, to be admitted. Cameras, recording devices, cell phones and other electronic devices cannot be used during the Annual Meeting.

Why did I receive a Notice in the mail regarding the Internet availability of proxy materials instead of a full set of proxy materials?

We are providing access to our proxy materials over the Internet. As a result, we have sent a Notice instead of a paper copy of the proxy materials to most of our stockholders. The Notice contains instructions on how to access the proxy materials over the Internet and how to request a paper copy. In addition, the website provided in the Notice allows stockholders to request to receive future proxy materials in printed form by mail or electronically by e-mail. A stockholder's election to receive proxy materials by mail or e-mail will remain in effect until the stockholder terminates it.

Why didn't I receive a Notice in the mail regarding the Internet availability of proxy materials?

We are providing certain stockholders, including those who have previously requested to receive paper copies of the proxy materials, with paper copies of the proxy materials instead of a Notice. If you would like to reduce the costs incurred by Anadarko in mailing proxy materials and conserve natural resources, you can consent to receive all future proxy statements, proxy cards and annual reports electronically via e-mail or the Internet. To sign up for electronic delivery, please follow the instructions provided with your proxy materials and on your proxy card or voting instruction card to vote using the Internet. When prompted, indicate that you agree to receive or access

stockholder communications electronically in the future.

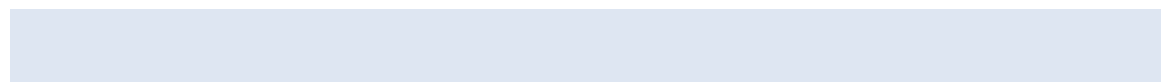
Can I vote my stock by filling out and returning the Notice?

No. The Notice will, however, provide instructions on how to vote by Internet, by telephone, by requesting and returning a paper proxy card, or by submitting a ballot in person at the Annual Meeting.

How can I access the proxy materials over the Internet?

Your Notice or proxy card will contain instructions on how to view our proxy materials for the Annual Meeting on the Internet. Our proxy materials are also available at <https://materials.proxyvote.com/032511>.

What am I voting on and how does the Board recommend that I vote?



Proposal	Board Vote Recommendation
Election of Directors	FOR EACH DIRECTOR NOMINEE
Management Proposals	
Ratification of KPMG LLP as Independent Auditor for 2015	FOR
Advisory Vote to Approve the Company's Named Executive Officer 2014 Compensation	FOR
Stockholder Proposals	
Proxy Access	AGAINST
Provide a Report on Carbon Risk	AGAINST
<i>What is the effect of an advisory vote?</i>	

Because your vote with respect to approval of our named executive officer (NEO)

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compensation is advisory, it will not be binding upon the Board. However, our Compensation and Benefits Committee (Compensation Committee) and the Board will carefully consider the outcome of the vote when reviewing future compensation arrangements for our executive officers.

Why should I vote?

Your vote is very important regardless of the amount of stock you hold. The Board strongly encourages you to exercise your right to vote as a stockholder of the Company.

How do I vote?

You may vote by any of the following four methods:

(i) ***Internet.*** Vote on the Internet at <http://www.proxyvote.com>. This website also allows electronic proxy voting using smartphones, tablets and other web-connected mobile devices (additional charges may apply pursuant to your service provider plan). Simply follow the instructions on the Notice, or if you received a proxy card by mail, follow the instructions on the proxy card and you can confirm that your vote has been properly recorded. In addition, we have included a QR (Quick Response) code on the Notice and proxy card. When you scan the QR code with your web-connected mobile device, you will be sent directly to a personalized webpage where you can indicate how you would like to vote. If you vote on the Internet, you can request electronic delivery of future proxy materials. Internet voting facilities for stockholders of record will be available 24 hours a day and will close at 11:59 p.m. (Eastern Daylight Time) on May 11, 2015.

(ii) ***Telephone.*** Vote by telephone by following the instructions on the Notice or, if you received a proxy card, by following the instructions on the proxy card. Easy-to-follow voice prompts allow you to vote your stock and confirm that

your vote has been properly recorded. Telephone voting facilities for stockholders of record will be available 24 hours a day and will close at 11:59 p.m. (Eastern Daylight Time) on May 11, 2015.

(iii) ***Mail.*** If you received a proxy card by mail, vote by mail by completing, signing, dating and returning your proxy card in the pre-addressed, postage-paid envelope provided. If you vote by mail and your proxy card is returned unsigned, then your vote cannot be counted. If you vote by mail and the returned proxy card is signed without indicating how you want to vote, then your proxy will be voted as recommended by the Board. If mailed, your completed and signed proxy card must be received by May 11, 2015.

(iv) ***Meeting.*** You may attend and vote at the Annual Meeting.

The Board recommends that you vote using one of the first three methods discussed above, as it is not practical for most stockholders to attend and vote at the Annual Meeting. Using one of the first three methods discussed above to vote will not limit your right to vote at the Annual Meeting if you later decide to attend in person. If your stock is held in street name (for example, held in the name of a bank, broker, or other holder of record), you must obtain a proxy

executed in your favor from your bank, broker or other holder of record to be able to attend and vote at the Annual Meeting.

If I vote by telephone or Internet and received a proxy card in the mail, do I need to return my proxy card?

No.

If I vote by mail, telephone or Internet, may I still attend the Annual Meeting?

Yes.

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Can I change my vote?

Yes. You may change your vote or revoke your proxy before the voting polls are closed at the Annual Meeting by the following methods:

voting at a later time by Internet or telephone until 11:59 p.m. (Eastern Daylight Time) on May 11, 2015;

voting in person at the Annual Meeting;

delivering to Anadarko's Corporate Secretary a proxy with a later date or a written revocation of your most recent proxy; or

giving notice to the inspector of elections at the Annual Meeting.

If you are a street name stockholder (for example, if your shares are held in the name of a bank, broker, or other holder of record) and you vote by proxy, you may later revoke your proxy by informing the holder of record in accordance with that entity's procedures.

How many votes must be present to hold the Annual Meeting?

Your stock is counted as present at the Annual Meeting if you attend the Annual Meeting and vote in person or if you properly return a proxy by Internet, telephone or mail. In order for us to hold our Annual Meeting, holders of a majority of our common stock entitled to vote must be present in person or by proxy at the Annual Meeting. This is referred to as a quorum. Abstentions and broker non-votes will be counted as present for purposes of determining a quorum.

What is a broker non-vote?

The New York Stock Exchange (NYSE) permits brokers to vote their customers' stock held in street name on routine matters when the brokers have not received voting instructions from their customers. The NYSE does not, however, allow brokers to vote their customers' stock held in

street name on non-routine matters unless they have received voting instructions from their customers. In such cases, the uninstructed shares for which the broker is unable to vote are called broker non-votes.

What routine matters will be voted on at the Annual Meeting?

The ratification of the independent auditor is the only routine matter on which brokers may vote in their discretion on behalf of customers who have not provided voting instructions.

What non-routine matters will be voted on at the Annual Meeting?

The election of directors, the advisory vote to approve our NEO compensation and the stockholder proposals, if presented, are non-routine matters on which brokers are not allowed to vote unless they have received voting instructions from their customers.

How many votes are needed to approve each of the proposals or, with respect to the advisory vote, to be considered the recommendation of the stockholders?

The election of each director requires the affirmative vote of a majority of the votes cast for such director. Under our By-Laws, a majority of votes are cast for the election of a director if the number of votes cast for the director exceeds the number of votes cast against the director. Abstentions will not be taken into account in director elections. Each of the other proposals will be approved if it receives the affirmative vote of a majority of the stock entitled to vote and present in person or by proxy at the Annual Meeting. Although the advisory vote on our NEO compensation and the vote on any stockholder proposal are non-binding, the Board will review the results of such vote and, consistent with our record of stockholder engagement, will take the results into account when making decisions going forward. Except as otherwise provided above, abstentions are counted as votes present and

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entitled to vote and have the same effect as votes against a proposal. Broker non-votes are not counted as either votes for or votes against a proposal. Both abstentions and broker non-votes are counted in determining that a quorum is present for the meeting.

Could other matters be decided at the Annual Meeting?

We are not aware of any matters that will be considered at the Annual Meeting other than those set forth in this proxy statement. However, if any other matters arise at the Annual Meeting, the persons named in your proxy will vote in accordance with their best judgment.

Where can I find the voting results of the Annual Meeting?

We will announce the preliminary voting results at the Annual Meeting and disclose the final voting results in a current report on Form 8-K filed with the U.S. Securities and Exchange Commission (SEC) within four business days of the date of the Annual Meeting unless only preliminary voting results are available at that time. To the extent necessary, we will file an amended report on Form 8-K to disclose the final voting results within four business days after the final voting results are known. You may access or obtain a copy of these and other reports free of charge on the Company's website at <http://www.anadarko.com>, or by contacting our investor relations department at investor@anadarko.com. Also, the referenced Form 8-K, any amendments thereto and other reports filed by the Company with the SEC are available to you over the Internet at the SEC's website at <http://www.sec.gov>.

How can I view the stockholder list?

A complete list of stockholders of record entitled to vote at the Annual Meeting will be available for viewing during ordinary business hours for a period of ten days before the Annual Meeting at our offices at 1201 Lake Robbins Drive, The Woodlands, Texas 77380-1046.

Who pays for the proxy solicitation related to the Annual Meeting?

We do. In addition to sending you these materials or otherwise providing you access to these materials, some of our directors and officers as well as management and non-management employees may contact you by telephone, mail, e-mail or in person. You may also be solicited by means of press releases issued by Anadarko, postings on our website at <http://www.anadarko.com>, advertisements in periodicals, or other media forms. None of our officers or employees will receive any extra compensation for soliciting you. We have retained Morrow & Co., LLC (Morrow), 470 West Ave., Stamford, Connecticut 06902, to assist us in soliciting your proxy for an estimated fee of \$12,500, plus reasonable out-of-pocket expenses. Morrow ensures that brokers, custodians and nominees will supply additional copies of the proxy materials for distribution to the beneficial owners. We will also reimburse banks, nominees, fiduciaries, brokers and other custodians for their costs of sending the proxy materials to the beneficial owners of Anadarko common stock.

Who will tabulate and certify the vote?

Broadridge Financial Solutions, Inc., an independent third party, will tabulate and certify the vote, and will have a representative to act as the independent inspector of elections for the Annual Meeting.

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If I want to submit a stockholder proposal for the 2016 Annual Meeting, when is that proposal due?

If you are an eligible stockholder and want to submit a proposal for possible inclusion in the proxy statement relating to the 2016 Annual Meeting, your proposal must be delivered to the attention of our Corporate Secretary and must be received at our principal office, 1201 Lake Robbins Drive, The Woodlands, Texas 77380-1046, no later than November 28, 2015. We will only consider proposals that meet the requirements of the applicable rules of the SEC and our By-Laws.

If I want to nominate a director for the 2016 Annual Meeting, when is that nomination due?

If you are an eligible stockholder and want to nominate an individual for election to our Board, our By-Laws provide that you must provide your nomination in writing to our Corporate Secretary (at the same address noted above) no later than the close of business on February 12, 2016, and no earlier than the close of business on January 13, 2016.

How can I obtain a copy of the Annual Report on Form 10-K?

Stockholders may request a free copy of our Annual Report on Form 10-K by submitting such request to Investor Relations, Anadarko Petroleum Corporation, P.O. Box 1330, Houston, Texas 77251-1330. Stockholders may also submit such request via e-mail at investor@anadarko.com or by calling (855) 820-6605. Alternatively, stockholders can access our Annual Report on Form 10-K on Anadarko's website at <http://www.anadarko.com>. Also, our Annual Report on Form 10-K and other reports filed by the Company with the SEC are available to you over the Internet at the SEC's website at <http://www.sec.gov>.

Will I get more than one copy of the proxy statement, annual report or Notice if there are multiple stockholders at my address?

In some cases, only one copy of this proxy statement, annual report or Notice is being delivered to multiple stockholders sharing an address unless we have received contrary instructions from one or more of the stockholders. We will deliver promptly, upon a written or oral request, a separate copy of this proxy statement, annual report or Notice to a stockholder at a shared address to which a single copy of the document was delivered. Stockholders sharing an address may also submit requests for delivery of a single copy of the proxy statement, annual report or Notice, but in such event will still receive separate proxies for each account. To request separate or single delivery of these materials now or in the future, a stockholder may submit a written request to the Corporate Secretary, Anadarko Petroleum Corporation, 1201 Lake Robbins Drive, The Woodlands, Texas 77380-1046 or a stockholder may make a request by calling the Corporate Secretary at (832) 636-1000, or by contacting our transfer agent, Computershare, P.O. Box 30170, College Station, Texas 77842-3170.

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Anadarko Board of Directors

ITEM 1 ELECTION OF DIRECTORS

Our Restated Certificate of Incorporation provides that all directors are to be elected annually and that any director (or the entire Board) may be removed with or without cause at and after the Annual Meeting at which he or she is elected.

At the 2015 Annual Meeting, the terms of our eleven incumbent directors will expire. Ten of those incumbent directors have been nominated to stand for election and, if elected at this Annual Meeting, will hold office until the expiration in 2016 of each of their one-year terms.

The Board is not aware of any reason why the director nominees would not be able to serve as directors of the Company. However, if a nominee is unavailable for election, then the proxies will be voted for the election of another nominee proposed by the Board or, as an alternative, the Board may reduce the number of directors to be elected at the Annual Meeting.

Our By-Laws provide for the election of directors by the majority vote of stockholders in uncontested elections. This means the number of votes cast for a nominee's election must exceed the number of votes cast against such nominee's election in order for him or her to be elected to the Board. In addition, each incumbent nominee is required to provide an irrevocable letter of resignation that states that he or she will resign if that director does not receive the required majority vote. If a director were to fail to receive a majority of votes cast and the Board were to accept the resignation tendered, then that director would cease to be a director of Anadarko. Each of the ten incumbent director nominees named below has submitted an irrevocable letter of resignation that becomes effective if he or she does not receive a majority of the votes cast for his or her election and the Board decides to accept such resignation.

As discussed in more detail on page 19 of this proxy statement, the Board considers several qualifications, characteristics and other factors when evaluating individual directors, as well as the composition of the Board as a whole. As part of this process, the Board and its Governance and Risk Committee review the particular experiences, qualifications, attributes and skills of each nominee to determine if that person should serve as a director of the Company. The biographies of each of the nominees below contain information regarding the person's experience and director positions held currently or at any time during the last five years, and information regarding involvement in certain legal or administrative proceedings, to the extent applicable. They also highlight the particular experiences, qualifications, attributes or skills that caused the Governance and Risk Committee and the Board to conclude that the person should be nominated to serve as a director of the Company.

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THE BOARD RECOMMENDS THAT YOU VOTE FOR EACH OF THE NOMINEES LISTED BELOW.

Nominees for Director Nominated by the Board of Directors for Terms Expiring in 2016

ANTHONY R. CHASE

Mr. Chase, 60, is Chairman and Chief Executive Officer of ChaseSource, L.P., a Houston-based staffing and real estate development firm. He served as an Executive Vice President of Crest Investment Company, a Houston-based private equity firm, from January 2009 until December 2009. Prior to these positions, he had most recently served as the Chairman and Chief Executive Officer of ChaseCom, L.P., a global customer relationship management and staffing services company, until its sale in 2007 to AT&T. Mr. Chase has also been a Professor of Law at the University of Houston since 1991. Mr. Chase is on the board of directors of the Greater Houston Partnership, and served as its Chairman during 2012. From July 2004 to July 2008, he served as a director of the Federal Reserve Bank of Dallas, and also served as its Deputy Chairman from 2006 until his departure in July 2008. He is also on the board of directors of the Houston Endowment and the Texas Medical Center and serves on the Board of Trustees for St. John's School and KIPP Schools. Mr. Chase holds Bachelor of Arts, Master of Business Administration and Juris Doctor degrees from Harvard University. In addition to Mr. Chase's current directorships of public companies noted in the box to the right, in the past five years he also served on the board of Cornell Companies and Western Gas Holdings, LLC, a subsidiary of Anadarko and general partner of Western Gas Partners, LP.

Mr. Chase's unique experience as a successful and widely respected business leader, entrepreneur and legal scholar provides invaluable perspective to the Board. In addition, he has significant experience with strategic transactions and mergers and acquisitions.

Director Since:

February 2014

Independent

Current Directorships:

Sarepta Therapeutics, Inc.

Paragon Offshore plc

KEVIN P. CHILTON

General Chilton, 60, retired as Commander of the United States Strategic Command, Offutt Air Force Base, Nebraska, in February 2011, where he was responsible for the plans and operations for all U.S. forces conducting strategic deterrence and Department of Defense space and cyberspace operations. General

Chilton served in the Air Force for more than 34 years in a wide variety of assignments including pilot, test pilot, instructor and astronaut, while earning numerous major awards and decorations. In addition to General Chilton's current directorships of public companies noted in the box to the right, in the past five years he also served on the board of Orbital Sciences Corporation.

General Chilton's service as Deputy Program Manager of Operations, International Space Program and Director of Politico-Military Affairs, Asia-Pacific and Middle East, Joint Staff, the Pentagon, provides him with an invaluable blend of political, legislative, international and regulatory knowledge and experience. He also gained valuable managerial, financial and executive experience with his involvement in preparing the Air Force five-year budget/program for several years.

Director Since:
May 2011

Independent

Current Directorships:

Level 3 Communications, Inc.

Orbital ATK, Inc.

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Ms. Eberhart, 61, currently serves as Chairman and Chief Executive Officer of HMS Ventures, a privately held business involved with technology services and the acquisition and management of real estate. From January 2011 through March 2014, she served as the President and Chief Executive Officer of CDI Corp. (CDI), a provider of engineering and information technology outsourcing and professional staffing services. She served as a consultant to CDI from April 2014 through December 2014. Ms. Eberhart also served as Chairman and Chief Executive Officer of HMS Ventures from January 2009 until January 2011. She served as President and Chief Executive Officer of Invensys Process Systems, Inc. (Invensys), a process automation company, from January 2007 to January 2009. From 1978 to 2004, she was an employee of Electronic Data Systems Corporation (EDS), an information technology and business process outsourcing company, and held roles of increasing responsibility over time, including senior level financial and operating roles. From 2003 until March 2004, Ms. Eberhart was President of Americas of EDS, and from 2002 to 2003 she served as President of Solutions Consulting at EDS. Ms. Eberhart is a Certified Public Accountant. In addition to Ms. Eberhart's current directorships of public companies noted in the box to the right, in the past five years she also served on the boards of CDI, Fluor Corporation and Advanced Micro Devices, Inc.

Ms. Eberhart brings a wealth of accounting and financial experience to the Board, as well as managerial, manufacturing and global experience, through her numerous years of service as an executive officer for EDS, Invensys and CDI. She also held various other operating and financial positions during her 26 years at EDS. In addition, she gained significant experience through her service on the boards of other public companies and her involvement with various civic and charitable organizations.

Director Since:
August 2004

Independent

Current Directorships:

Cameron International
Corporation

LPL Financial Holdings Inc.

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THE BOARD RECOMMENDS THAT YOU VOTE FOR EACH OF THE NOMINEES LISTED BELOW.

Nominees for Director Nominated by the Board of Directors for Terms Expiring in 2016

PETER J. FLUOR

Mr. Fluor, 67, has been Chairman and Chief Executive Officer of Texas Crude Energy, Inc., a private, independent oil and gas exploration company located in Houston, Texas, since 1990. He has been employed by Texas Crude Energy, Inc. since 1972 and took over the responsibilities of President in 1980. Mr. Fluor serves as lead director of Fluor Corporation.

Mr. Fluor brings more than 40 years of exploration and production operations, exploration and production service, finance, banking and managerial experience to the Board as a result of his experience at Texas Crude Energy, Inc. (most recently as Chairman and Chief Executive Officer), as well as his service as a director of other public companies and involvement with various civic and charitable organizations.

Director Since:
August 2007

Independent

**Current
Directorships:**

Fluor Corporation

Cameron International
Corporation

RICHARD L. GEORGE

Mr. George, 64, was appointed independent Chairman of the Board of Penn West Petroleum Ltd., an exploration and production company based in Calgary, Alberta, in May 2013. He previously served as President and Chief Executive Officer of Suncor Energy Inc., an integrated energy company, from 1991 to December 2011, at which time he relinquished the title of President but continued to serve as Chief Executive Officer

until his retirement in May 2012. In 2011, Mr. George was named Canadian Energy Person of the Year by the Energy Council of Canada. He has also served on the board of directors of the Canadian Council of Chief Executives since 2003. In 2008, he was inducted into the Canadian Petroleum Hall of Fame. Mr. George was named a member of the Order of Canada in 2007 for his leadership in the development of Canada's natural resources sector, for his efforts to provide economic opportunities to Aboriginal communities and for his commitment to sustainable development. In addition to Mr. George's current directorships of public companies noted in the box to the right, in the past five years he also served on the boards of Canadian Pacific Railway, Suncor Energy Inc., and Transocean.

Mr. George's extensive leadership roles and career experiences in the global energy industry provide invaluable insight to the Board and strategically assist Anadarko as it pursues its expanding business opportunities.

Director Since:
May 2012
<i>Independent</i>
Current Directorships:
Penn West Petroleum Ltd.
Royal Bank of Canada

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THE BOARD RECOMMENDS THAT YOU VOTE FOR EACH OF THE NOMINEES LISTED BELOW.

Nominees for Director Nominated by the Board of Directors for Terms Expiring in 2016

JOSEPH W. GORDER

Mr. Gorder, 57, is Chairman, President and Chief Executive Officer of Valero Energy Corporation (Valero), an international manufacturer and marketer of transportation fuels, other petrochemical products and power. He served as President and Chief Operating Officer of Valero from November 2012, until he assumed the role of Chief Executive Officer on May 1, 2014. He assumed the role of Chairman of the Board effective December 31, 2014. Mr. Gorder previously served as Executive Vice President and Chief Commercial Officer beginning in January 2011, and formerly led Valero's European operations from its London office. He previously served as Executive Vice President - Marketing and Supply beginning in December 2005. Prior to that, he held several positions with Valero and Ultramar Diamond Shamrock Corporation with responsibilities for corporate development and marketing. Mr. Gorder is also Chief Executive Officer and director of Valero Energy Partners LP, a midstream logistics master limited partnership formed by Valero in 2013.

Mr. Gorder's nearly 28 years of career experiences in and knowledge of global energy markets provides invaluable insight to the Board and strategically assists Anadarko as it pursues its expanding business opportunities.

Director Since:

July 2014

Independent

Current Directorships:

Valero Energy Corporation

Valero Energy Partners LP

JOHN R. GORDON

Mr. Gordon, 66, is Senior Managing Director of Deltec Asset Management LLC, a registered investment firm located in New York, New York. He was President of Deltec Securities Corporation from 1988 until it was converted into Deltec Asset Management LLC. Prior to joining Deltec Asset Management LLC, Mr. Gordon was a managing director of Kidder, Peabody & Co., where he spent 12 years in the firm's corporate finance department.

Director Since:

Mr. Gordon's role as Senior Managing Director of Deltec Asset Management LLC since 1988 provides him with significant finance and banking experience (including in the energy industry) as well as considerable managerial expertise. He also has significant involvement in various civic and charitable organizations.

April 1988

Independent

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THE BOARD RECOMMENDS THAT YOU VOTE FOR EACH OF THE NOMINEES LISTED BELOW.

Nominees for Director Nominated by the Board of Directors for Terms Expiring in 2016

MARK C. MCKINLEY

Mr. McKinley, 58, has served as Managing Partner of MK Resources LLC, a private oil and gas development company specializing in the recovery and production of crude oil and the development of unconventional resource projects, for more than ten years. He is also the founder and President of Labrador Oil Company, a private oil and natural gas exploration and development firm. Mr. McKinley currently serves on the Boards of Directors of the Merrymac McKinley Foundation and the Tip of the Spear Foundation.

Director Since:
February 2015

Mr. McKinley's entrepreneurial, operational and business achievements during his long career in domestic and international oil and natural gas development bring valuable perspective to the Board.

Independent

Current Directorships:

Buckeye GP, LLC

ERIC D. MULLINS

Mr. Mullins, 52, has served as the Co-Chief Executive Officer and Chairman of the Board of Directors of LRE GP, LLC, the general partner of LRR Energy, L.P., a company which operates, acquires, exploits and develops producing oil and natural gas properties, since May 2011. He also serves as the Managing Director and Co-Chief Executive Officer of Lime Rock Resources, a company that he co-founded in 2005 which acquires, operates and improves lower-risk oil and natural gas properties. Prior to co-founding Lime Rock Resources, Mr. Mullins served as a Managing Director in the Investment Banking Division of Goldman Sachs where he led numerous financing, structuring and strategic advisory transactions in the division's Natural Resources Group.

Director Since:
May 2012

Mr. Mullins' s career experiences and knowledge in financing and strategic mergers and acquisitions for exploration and production companies greatly assists and enhances the Board' s ability to direct a sustainable and growing enterprise.

Independent

Current Directorships:

LRE GP, LLC

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THE BOARD RECOMMENDS THAT YOU VOTE FOR EACH OF THE NOMINEES LISTED BELOW.

Nominees for Director Nominated by the Board of Directors for Terms Expiring in 2016

R. A. WALKER

Mr. Walker, 58, was named Chairman of the Board of the Company in May 2013, in addition to the role of Chief Executive Officer and director, both of which he assumed in May 2012, and the role of President, which he assumed in February 2010. He previously served as Chief Operating Officer from March 2009 until his appointment as Chief Executive Officer. He served as Senior Vice President, Finance and Chief Financial Officer from September 2005 until March 2009. Mr. Walker is a director of the Houston Branch of the Dallas Federal Reserve. He is also on the Board of Trustees for the Houston Museum of Natural Science, a member of the Business Council, the Business Roundtable, All-American Wildcatters, and serves as a director of the American Petroleum Institute (Executive Committee) and America's Natural Gas Alliance (Executive Committee). In addition to his current directorships of public companies noted in the box to the right, in the past five years he also served on the boards of Western Gas Equity Holdings, LLC and Western Gas Holdings, LLC, both of which are subsidiaries of Anadarko, and on the board of Temple-Inland, Inc.

Mr. Walker has more than 30 years of experience in the energy industry, with a focus on exploration and production, including finance, institutional investing, and mergers and acquisitions. He has served on the boards of directors of more than ten public companies. This experience provides him with a broad perspective on various corporate governance and other matters. He also has significant involvement in various civic and charitable organizations.

Director Since:

May 2012

***Not Independent
Management***

Current Directorships:

BOK Financial Corporation

CenterPoint Energy, Inc.

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Corporate Governance

Our Board recognizes that excellence in corporate governance is essential in carrying out our responsibilities to our stakeholders, including our stockholders, employees, customers, communities, and creditors, as well as to the environment. Our Corporate Governance Guidelines, By-Laws, Code of Business Conduct and Ethics, Code of Ethics for the Chief Executive Officer, Chief Financial Officer and Chief Accounting Officer, and written charters for the Audit Committee, the Compensation Committee, and the Governance and Risk Committee, all as amended from time to time, can be found on the Company's website at <http://www.anadarko.com/Responsibility/Good-Governance/#!/GDocs>. These documents provide the framework for our corporate governance. Any of these documents will be furnished in print free of charge to any stockholder upon request. You can submit such a request to the Corporate Secretary at 1201 Lake Robbins Drive, The Woodlands, Texas 77380-1046.

Under the Company's Corporate Governance Guidelines, directors are expected to attend regularly scheduled Board of Director meetings and meetings of committees on which they serve, as well as the Annual Meeting of Stockholders. Each incumbent director who served on our Board during 2014 attended at least 75% of the meetings of the Board and the committees on which he or she served. There were eight Board meetings and a total of 24 Board committee meetings in 2014. In addition, all of the incumbent directors attended the 2014 Annual Meeting, other than Messrs. Gorder and McKinley, who joined the Board in July 2014 and February 2015, respectively.

BOARD LEADERSHIP STRUCTURE

Mr. Walker was initially elected Chairman of the Board effective following the Company's 2013 Annual Meeting and has been re-elected to such role each year since that time. As the Company's Chief Executive Officer (CEO), Mr. Walker works in concert with the rest of our majority-independent Board and the independent Lead Director, Mr. Gordon, to oversee the execution of the Company's strategy. The Board believes that the combined Chairman and CEO role ensures open communication between the Board and executive management and promotes consistent and effective leadership of both the Board and executive management. In addition, the Board believes that a combined Chairman and CEO role is currently the best approach to promote long-term stockholder value for the reasons listed below.

Promotes Unified Approach on Corporate Strategy Development and Execution Maintaining a combined role enables the Company's CEO to act as a bridge between management and the Board, helping both to act with a common purpose. This also fosters consensus building and alignment on strategy and tactical execution of a Board-approved vision and strategy at the top levels within the Company.

Requires that the CEO Recognize Importance of Good Corporate Governance Maintaining a combined position requires that the CEO's responsibilities include a mastery of good corporate governance, a focus on broad stakeholder interests, and an open channel of communication, and requires the CEO to work together with the Lead Director as a team and to appreciate the vital importance of good governance practices in executing the Company's strategy.

Provides Clear Lines of Accountability A combined position has the practical effect of simplifying the accountability of the executive management team, thereby reducing potential confusion and fractured leadership.

Provides Clear Roadmap for Stockholder/Stakeholder Communications A combined position provides the Company's stakeholders the opportunity to deal with one versus several points of overall authority, which we believe results in more efficient and effective communications with stakeholders.

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Corporate Governance

Role of Lead Director. Consistent with industry best practices, the Board has a strong and active Lead Director whose duties and responsibilities ensure the Company maintains a corporate-governance structure with appropriate independence and balance. Our independent Lead Director's duties are closely aligned with the role of an independent, non-executive chairman. As the Lead Director who is elected exclusively by the independent directors, Mr. Gordon's role is to assist the Chairman and the remainder of the Board in assuring effective corporate governance in managing the affairs of the Board and the Company. Mr. Gordon serves as a liaison between the Chairman and the independent directors and works with the Chairman to approve all meeting agendas. He presides at executive sessions of the independent directors, which are held in conjunction with each regularly scheduled quarterly meeting of the Board, and any other meetings as determined by the Lead Director. Mr. Gordon also approves information sent to the Board and approves meeting schedules to assure there is sufficient time for discussion of all agenda items. In addition, as Lead Director, Mr. Gordon has authority to call special meetings of the Board and is also a member of the Board's Executive Committee, providing additional representation for the independent directors in all actions considered by the Executive Committee between Board meetings. Mr. Gordon is required, if requested by major stockholders, to be available for consultation and direct communication.

THE BOARD'S ROLE IN RISK OVERSIGHT

The Board's role in the identification, assessment, oversight and management of potential risks that could affect the Company's ability to achieve its strategic, operational and financial objectives consists of (i) reviewing and discussing the Company's risk framework and risk management policies, (ii) facilitating appropriate coordination among the Board's committees with respect to oversight of risk management by delegating oversight of the Company's enterprise risk management program to the Governance and Risk Committee, the risk assessment framework and risk management policies, including the framework with respect to significant financial risk exposures, to the Audit Committee, and compensation risk to the Compensation Committee, and (iii) periodically meeting with members of management, including members of the Company's internal Risk Council, to identify, review and assess the Company's major risk exposures and steps taken to monitor, mitigate and report such exposures.

Board Committees. The Governance and Risk Committee is responsible for oversight of the Company's significant risk exposures and periodically reviews and discusses with members of management those risk exposures and the steps being taken to identify, monitor and mitigate such exposures. With the assistance of the Compensation Committee's independent executive compensation consultant, the Compensation Committee is responsible for the oversight of the annual risk assessment of the Company's compensation programs. The Audit Committee is responsible for oversight of the Company's risk assessment framework and risk management policies, including the framework with respect to significant financial risk exposures, and periodically reviews and discusses such framework and policies with members of management.

Internal Risk Council. In order to facilitate oversight of potential risk exposures to the Company that have not been specifically delegated to any Board committee, the Board periodically meets with members of the Company's internal Risk Council to review and assess the Company's risk-management processes and to discuss significant risk exposures. Members of senior management comprise the Company's internal Risk Council and provide periodic reports to the CEO, the Governance and Risk Committee and the full Board regarding the Company's risk profile and risk-management strategies. In addition, the Company's internal audit function regularly provides additional

perspective and insight to the Audit Committee regarding potential risks facing the Company.

Table of Contents**Corporate Governance****COMPENSATION COMMITTEE RISK ASSESSMENT**

The Compensation Committee reviewed a comprehensive compensation risk assessment conducted independently by Frederic W. Cook & Co., Inc. (FWC), the Compensation Committee's executive compensation consultant. The assessment focused on the design and application of the Company's executive and non-executive compensation programs and whether such programs encourage excessive risk taking by executive officers and other employees. Based on the outcomes of this assessment and the Compensation Committee's review, the Compensation Committee believes that the Company's compensation programs (i) do not motivate our executive officers or our non-executive employees to take excessive risks, (ii) are well designed to encourage behaviors aligned with the long-term interests of stockholders and (iii) are not reasonably likely to have a material adverse effect on the Company. Anadarko's compensation programs are designed to support and reward appropriate risk taking and include the following:

an appropriate balance of fixed versus variable pay, cash and equity pay components, operating and financial performance measures, short-term and long-term performance periods, extended vesting schedules, and established formulas and discretion;

established policies to mitigate compensation risk including significant stock ownership guidelines for officers of the Company, insider-trading prohibitions, clawback provisions, and specified caps on incentive awards; and

independent Compensation Committee oversight, which also extends to incentive plans below the executive officer level.

COMMITTEES OF THE BOARD

The Board has four standing committees: (i) the Audit Committee; (ii) the Compensation Committee; (iii) the Governance and Risk Committee; and (iv) the Executive Committee. For each of the current committees of the Board, the table below shows the current membership, the principal functions and the number of meetings held in 2014:

Name, Members**and Meetings****Principal Functions****AUDIT COMMITTEE(1)**

Discusses the integrity of the Company's accounting policies, internal controls, financial reporting practices and the financial statements with management, the independent auditor and internal audit.

Eric D. Mullins (Chair)(2)

Reviews and discusses with management the Company's risk assessment framework and risk management policies, including the framework with

Kevin P. Chilton

Charles W. Goodyear	respect to significant financial risk exposures.
Mark C. McKinley	Monitors the qualifications, independence and performance of the Company's internal audit function and independent auditor, and meets periodically with management, internal audit and the independent auditor in separate executive sessions.
<i>Meetings in 2014: 11</i>	Establishes and maintains procedures for the submission, receipt, retention and treatment of complaints and concerns received by the Company regarding accounting, internal controls or auditing matters, including those received through the confidential anonymous Anadarko Hotline.

Table of Contents**Corporate Governance****Name, Members****and Meetings****Principal Functions****AUDIT COMMITTEE****(Continued)**

Monitors compliance with legal and regulatory requirements and the business practices and ethical standards of the Company.

Approves the appointment, compensation, retention and oversight of the work of the Company's independent auditor and establishes guidelines for the retention of the independent auditor for any permissible services.

Prepares the Audit Committee report, which is on page 30.

**COMPENSATION AND
BENEFITS COMMITTEE(3)**

Approves and evaluates the Company's director and officer compensation plans, policies and programs.

Conducts an annual review and evaluation of the CEO's performance in light of the Company's goals and objectives.

Retains, and is directly responsible for the oversight of, compensation or other consultants to assist in the evaluation of director or executive compensation and otherwise to aid the Compensation Committee in meeting its responsibilities. For additional information on the role of compensation consultants, please see Compensation Discussion and Analysis beginning on page 32.

Annually reviews the Company's compensation-related risk profile to confirm that compensation-related risks are not reasonably likely to have a material adverse effect on the Company.

Periodically reviews and discusses with its independent compensation consultants and senior management the Company's policy on executive severance arrangements, and recommends any proposed changes to the Board to the extent required by the Compensation Committee charter.

Reviews the Compensation Discussion and Analysis, disclosures for advisory votes by stockholders on executive compensation, including frequency of such votes, and other relevant disclosures made in the proxy statement.

Produces an annual Compensation Committee report, which is on page 31.

**GOVERNANCE AND RISK
COMMITTEE(4)**

Recommends nominees for director to the full Board and ensures such nominees possess the director qualifications set forth in the Company's Corporate Governance Guidelines.

Reviews the qualifications of existing Board members before they are nominated for re-election to the Board.

Recommends members of the Board for committee membership.

Proposes Corporate Governance Guidelines for the Company and reviews them annually.

Oversees the Company's compliance structure and programs.

Peter J. Fluor (Chair)

Joseph W. Gorder

John R. Gordon

Meetings in 2014: 6

H. Paulett Eberhart (Chair)

Anthony R. Chase

Richard L. George

Meetings in 2014: 6

Table of Contents**Corporate Governance****Name, Members****and Meetings****GOVERNANCE AND****RISK COMMITTEE
(Continued)****Principal Functions**

Develops and oversees an evaluation process for the Board and its committees.

Oversees the emergency and expected CEO succession plans.

Reviews and approves related-person transactions in accordance with the Board's procedures.

Reviews and investigates reports to the confidential anonymous Anadarko Hotline regarding material non-financial matters.

Reviews and discusses with management the Company's significant risk exposures and the steps management has taken to identify, monitor and mitigate such exposures.

Oversees the work of the Company's independent reserve engineering consultant.

Oversees the Anadarko Petroleum Corporation Political and Public Engagement Policy and the Company's political activity, including annually reviewing the Company's political contributions and trade association payments.

Reviews and discusses with management the Company's environmental, health and safety programs.

EXECUTIVE COMMITTEE

Acts with the power and authority of the Board, in accordance with the Company's By-Laws, in the management of the business and affairs of the Company while the Board is not in session.

R. A. Walker (Chair)

H. Paulett Eberhart

Peter J. Fluor

Approves specific terms of financing or other transactions that have previously been approved by the Board.

John R. Gordon

Eric D. Mullins

Meetings in 2014: 1

(1) None of the Audit Committee members serves on the audit committee of more than two other public companies.

- (2) The Board has determined that Mr. Mullins qualifies as an audit committee financial expert under the rules of the SEC based upon his education and employment experience. The Board has also determined that Mr. Mullins, as well as each member of the Audit Committee, is independent, as independence for audit committee members is defined in Rule 10A-3(b)(1) of the Securities Exchange Act of 1934, as amended (Exchange Act), and under the standards set forth by the NYSE.
- (3) The Board has determined that each member of the Compensation Committee is: (i) independent under the standards set forth by the NYSE governing Compensation Committee membership; (ii) a non-employee director under Rule 16b-3 of the Exchange Act; and (iii) an outside director under Section 162(m) of the Internal Revenue Code of 1986, as amended (IRC).
- (4) The Board has determined that each member of the Governance and Risk Committee is independent under the standards set forth by the NYSE governing Board membership.

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Corporate Governance

BOARD OF DIRECTORS

Director Independence

In accordance with NYSE rules, the Sarbanes-Oxley Act of 2002, the Exchange Act, and the rules and regulations adopted thereunder, and the Company's Corporate Governance Guidelines, the Board must affirmatively determine the independence of each director and director nominee in accordance with the Company's director independence standards, which are contained in the Company's Corporate Governance Guidelines found on the Company's website at http://www.anadarko.com/content/documents/apc/Responsibility/Governance_Documents/Corporate_Governance_Guidelines.pdf.

Based on the standards contained in our Corporate Governance Guidelines, and the recommendation by the Governance and Risk Committee, the Board has determined that each of the following non-employee director nominees is independent and has no material relationship with the Company that could impair such nominee's independence:

Anthony R. Chase
Kevin P. Chilton
H. Paulett Eberhart
Peter J. Fluor
Richard L. George

Joseph W. Gorder
John R. Gordon
Mark C. McKinley
Eric D. Mullins

Mr. Walker is not independent because he is the Chairman, President and CEO of the Company.

For information regarding our policy on Transactions with Related Persons, please see page 78 of this proxy statement.

Selection of Directors

The Company's Corporate Governance Guidelines require that with respect to Board vacancies, the Governance and Risk Committee (or a subcommittee thereof): (i) identify the personal characteristics needed in a director nominee so that the Board as a whole will possess such qualifications as more fully identified below; (ii) compile, through such means as the Governance and Risk Committee considers appropriate, a list of potential director nominees thought to possess the individual qualifications identified in the Corporate Governance Guidelines, as well as any additional specific qualifications the Board deems appropriate at the time; (iii) engage an outside consultant, as necessary, to assist in the search for qualified nominees; (iv) review the background, character, experience and temperament of each potential nominee; (v) conduct interviews, and if appropriate recommend that other members of the Board and/or management interview such potential nominee; and (vi) evaluate each potential nominee in relation to the culture of the Company and the Board, which emphasizes independent thinking and teamwork.

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Corporate Governance

As stated in our Corporate Governance Guidelines, one of the core competencies our Board has identified in assessing the qualifications of the Board as a whole is a diversity of experience, professional expertise, perspective and age. The Board recognizes that such diversity is an important factor in board composition and the Governance and Risk Committee ensures that such diversity considerations are discussed in connection with each candidate for director. For the past several years, our Board has reviewed on at least an annual basis a director skillset chart that identifies characteristics that the Board believes contribute to an effective and well-functioning board and that the Board as a whole should possess. The factors the Board considers include the following:

- other board service (both prior and current)
- current or former experience as CEO of a public company
- public company executive service (both prior and current)
- financial expertise
- banking/finance expertise
- exploration and production operations expertise
- oil and gas service company expertise
- international business experience
- government relations experience
- marketing/commodity risk management experience
- manufacturing/operations experience
- civic/charitable experience

The Governance and Risk Committee considers these and other factors and the extent to which such skillsets can be represented when evaluating potential candidates for the Board. Together, this diversity of skillsets, experiences and personal backgrounds allows our directors to provide the diversity of thought that is critical to the Board's decision-making and oversight process.

Annual Evaluations

The Board and each of the independent committees have conducted self-evaluations related to their performance in 2014, including an evaluation of each director. The performance evaluations were supervised by the Governance and Risk Committee. Following a discussion of the results of the evaluations, the Board and each committee have implemented any necessary changes.

Communication with the Directors of the Company

The Board welcomes questions or comments about the Company and its operations. Interested parties who wish to communicate with the Board, including the Lead Director, the independent directors, or any individual director, may contact the Chairperson of the Governance and Risk Committee at governanceriskchair@anadarko.com or at

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Anadarko Petroleum Corporation, Attn: Corporate Secretary, 1201 Lake Robbins Drive, The Woodlands, Texas 77380-1046. If requested, any questions or comments will be kept confidential to the extent reasonably possible. Depending on the subject matter, the Chairperson of the Governance and Risk Committee, with the assistance of the Corporate Secretary, will:

forward the communication to the director or directors to whom it is addressed;

refer the inquiry to the General Counsel for referral to the appropriate corporate department if it is a matter that does not appear to require direct attention by the Board or an individual director; or

not forward the communication if it is primarily commercial in nature or if it relates to an improper or irrelevant topic.

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Corporate Governance

These procedures may change from time to time, and you are encouraged to visit our website for the most current means of contacting our directors. If you wish to request copies of any of our governance documents, please refer to page 14 of this proxy statement for instructions.

Stockholder Participation in the Selection of Director Nominees

During the past year, no stockholder submitted names to the Governance and Risk Committee of individuals for nomination to the Company's Board pursuant to the procedures discussed below. For nomination at the 2016 Annual Meeting, the Board will consider individuals identified by stockholders on the same basis as nominees identified from other sources. To nominate a director for the 2016 Annual Meeting, a stockholder must follow the procedures described in the Company's By-Laws, which require that the stockholder give written notice to the Company's Corporate Secretary at the Company's principal executive offices. The notice to the Corporate Secretary must include the following:

the name and address of the stockholder and beneficial owner, if any, as they appear on the Company's books;

the class or series and number of shares of the Company which are, directly or indirectly owned (including through a partnership) beneficially and of record by the stockholder and such beneficial owner and any derivative instrument directly or indirectly owned beneficially by such stockholder;

any proxy, contract, arrangement, understanding, or relationship pursuant to which such stockholder has a right to vote any shares of any security of the Company;

any economic interest in any security of the Company, including any short interest, and any rights to dividends on the shares of the Company owned beneficially by such stockholder that are separated or separable from the underlying shares of the Company;

any performance-related fees (other than an asset-based fee) that such stockholder (including such stockholder's immediate family) is entitled to based on any increase or decrease in the value of shares of the Company or derivative instruments, if any, as of the date of such notice;

a representation as to whether the stockholder or the beneficial owner, if any, intends or is part of a group which intends to deliver a proxy statement and/or form of proxy to holders of at least the percentage of the Company's outstanding capital stock required to elect the nominee and/or otherwise to solicit proxies from stockholders in support of such nomination;

all information relating to such stockholder and beneficial owner, if any, that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for election of directors in a contested election pursuant to Section 14 of the Exchange Act and the rules and regulations promulgated thereunder (including such person's written consent to being named in the proxy statement as a nominee and to serving as a director if elected);

a description of all direct and indirect compensation and other material monetary agreements, arrangements and understandings during the past three years, and any other material relationships, between or among such stockholder and beneficial owner, if any, and their respective affiliates and associates and each proposed nominee, and his or her respective affiliates and associates;

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Corporate Governance

with respect to each nominee for election or re-election to the Board, a completed and signed questionnaire, representation and agreement that the nominee is not and will not become a party to the following:

any agreement, arrangement or understanding as to how such person, if elected as a director of the Company, will act or vote on any issue or question that has not been disclosed to the Company;

any voting commitment that could limit or interfere with such person's ability to comply, if elected as a director of the Company, with such person's fiduciary duties under applicable law;

any agreement, arrangement or understanding with any person or entity other than the Company with respect to any direct or indirect compensation, reimbursement or indemnification in connection with service or action as a director that has not been disclosed; and

any such other information as may reasonably be required by the Company to determine the eligibility of such proposed nominee to serve as an independent director of the Company or that could be material to a reasonable stockholder's understanding of the independence, or lack thereof, of such nominee.

In addition, the nominee must be in compliance, if elected as a director of the Company, and agree to continue to comply with all applicable publicly disclosed corporate governance, conflict of interest, confidentiality and stock ownership and trading policies and guidelines of the Company.

Generally, nominations must be received no earlier than the close of business on the 120th day prior to, and no later than the close of business on the 90th day prior to, the first anniversary of our last annual meeting of stockholders, or, if the nomination is with respect to a special meeting of stockholders, not earlier than the close of business on the 120th day prior to, and no later than the close of business on the 90th day prior to, such special meeting. For more information on stockholder participation in the selection of director nominees, please refer to that section in our Corporate Governance Guidelines and our By-Laws, which are posted on the Company's website at <http://www.anadarko.com/Responsibility/Good-Governance/#!/GDocs>.

Directors Continuing Education

The Company's Director Education Policy encourages all members of the Board to attend director education programs appropriate to their individual backgrounds to stay abreast of developments in corporate governance and best practices relevant to their contribution to the Board as well as their responsibilities in their specific committee assignments. The Director Education Policy provides that the Company will reimburse directors for all costs associated with attending any director education program.

Compensation and Benefits Committee Interlocks and Insider Participation

The Compensation Committee is made up of three independent directors. None of our executive officers currently serve, or in the past year have served, as a member of the board of directors or compensation committee of any entity that has one or more executive officers serving on our Board or our Compensation Committee.

Table of Contents**Corporate Governance*****Director Compensation***

Non-employee directors receive a combination of cash and stock-based compensation designed to attract and retain qualified candidates to serve on the Board. Mr. Walker does not receive any compensation for his service as a director. In setting non-employee director compensation, the Board considers the significant amount of time that non-employee directors spend in fulfilling their duties to the Company and its stockholders as well as the skill level required by the Company's Board members. The Compensation Committee is responsible for determining the type and amount of compensation for non-employee directors. To assist in the 2014 annual review of director compensation, the Compensation Committee directly retained FWC as its outside independent compensation consultant to provide benchmark compensation data and recommendations for compensation program design.

Cash Compensation Program. The following is a schedule of annual retainers and meeting fees for non-employee directors in effect during 2014, payable on a quarterly basis:

2014 Cash Compensation	Amount(\$)
Annual Board Retainer	70,000
Additional Annual Retainer for Chairperson of Audit Committee, Compensation Committee and Governance and Risk Committee(1)	25,000
Additional Annual Retainer for Lead Director	35,000
Additional Annual Retainer for Audit Committee, Compensation Committee and Governance and Risk Committee Members(1)	6,000
Fee for each Board Meeting Attended (plus expenses related to attendance)	2,000
Fee for each Board Committee Meeting Attended (plus expenses related to attendance)	2,000

(1) Effective July 1, 2014, the Annual Retainers for the Chairperson and the Members of the Governance and Risk Committee were increased from \$15,000 to \$25,000 and \$3,000 to \$6,000, respectively, to reflect the enhanced duties of the committee assumed in November 2013.

In November 2014, the Compensation Committee approved changes designed to streamline and simplify the non-employee director cash compensation program. Effective January 1, 2015, the Compensation Committee increased the annual Board retainer to \$110,000 and eliminated (i) the annual retainer for committee members and (ii) the \$2,000 fee for attending each Board and/or committee meeting. The Compensation Committee believes the revised program provides an equivalent level of compensation for serving as a director and committee member as compared to the previous structure and continues to properly compensate the additional responsibilities of the Lead Director and committee chairperson roles.

The following is a schedule of annual retainers for non-employee directors effective January 1, 2015:

2015 Cash Compensation	Amount(\$)
Annual Board Retainer	110,000
Additional Annual Retainer for Chairperson of Audit Committee, Compensation Committee and Governance and Risk Committee	25,000
Additional Annual Retainer for Lead Director	35,000

The annual retainers are payable on a quarterly basis. Additionally, to compensate a director in a year when there is an unusually high level of service required, a per meeting fee of \$2,000 will be paid

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Corporate Governance

for each meeting attended in excess of 20 meetings in a calendar year (combined Board and committee meetings).

Non-employee directors may elect to receive their retainer and meeting fees in cash, common stock, or, if eligible, defer cash compensation into the Anadarko Deferred Compensation Plan (described below), or any combination thereof. The amount of stock issued to non-employee directors for payment in lieu of their cash fees is determined at the end of the quarter for which compensation is earned, and is calculated by dividing the closing stock price of the Company's common stock on the date of grant into the applicable fee for that period. This election option provides non-employee directors a method to invest in the Company as a stockholder and further align their interests with the interests of the Company's stockholders.

Deferred Compensation Plan for Non-employee Directors. Non-employee directors who are resident in the U.S. may participate in the Company's Deferred Compensation Plan. The Deferred Compensation Plan allows non-employee directors to defer receipt of up to 100% of their retainers and meeting fees, and to allocate the deferred amounts among a group of notional accounts that mirror the gains and/or losses of various investment funds, including common stock of the Company. The interest rate earned on the deferred amounts is not above-market or preferential. In general, deferred amounts are distributed to the participant upon leaving the Board or at a specific date as elected by the participant. Mr. Fluor is the only director who elected to defer compensation during 2014.

Stock Plan for Non-employee Directors. Stock-based awards made to non-employee directors are made pursuant to the Anadarko Petroleum Corporation 2008 Director Compensation Plan. In addition to the retainer and meeting fee compensation, non-employee directors receive annual equity grants. Equity grants to non-employee directors are automatically awarded each year on the date of the Company's annual meeting of stockholders. For 2014, each non-employee director elected at the 2014 Annual Meeting of Stockholders received an annual equity grant with a value targeted at \$250,000 and 100% of the value was delivered in deferred shares. Messrs. Chase, Gorder and McKinley each received a prorated equity grant when they were elected to the Board in February 2014, July 2014 and February 2015, respectively. Non-employee directors may elect to receive the shares on a specific date, but not earlier than one year from the date of grant, or when they leave the Board.

Stock Ownership Guidelines for Non-employee Directors. Non-employee directors are required to hold stock with a value equivalent to seven times the annual Board retainer and have five years from the date of their initial election to the Board to comply with the guidelines. Effective with the increase of the annual Board retainer on January 1, 2015, the required stock ownership value increased from \$490,000 (7 X \$70,000) to \$770,000 (7 X \$110,000). All non-employee directors exceeded their ownership guidelines at December 31, 2014, other than directors who joined the Board in 2014 and 2015 and are still within the five-year compliance period.

Other Compensation. Non-employee directors are covered under the Company's Accidental Death & Dismemberment Plan and the Company pays the annual premium for such coverage on behalf of each non-employee director. The Company also provides each non-employee director with Personal Excess Liability coverage and pays the annual premium on their behalf. The Company maintains an Aid to Education Program under which certain gifts by employees, officers, non-employee directors and retired employees to qualified institutions of learning are matched on a two-to-one basis. The maximum contribution matched per donor, per calendar year is \$2,500, resulting in a maximum Company yearly match of \$5,000.

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DIRECTOR COMPENSATION TABLE FOR 2014

The following table sets forth information concerning total non-employee director compensation earned during the 2014 fiscal year by each incumbent director who served on the Board in 2014, other than Mr. Walker, who does not receive any compensation for his service as a director:

Name	Fees Earned or Paid in Cash(\$)	Stock Awards (\$)(1)	Option Awards (\$)(2)	Non-Equity Incentive Plan Compensation		Change in Pension Value and Non-qualified Deferred Compensation Earnings(\$)	All Other Compensation (\$)(3)	Total(\$)
				Non-Equity Incentive Plan Compensation (\$)	Non-qualified Deferred Compensation Earnings(\$)			
Anthony R. Chase	85,923	312,574	0	0	0	0	4,122	402,619
Kevin P. Cilton	114,000	250,082	0	0	0	0	4,337	368,419
Luke R. Corbett(4)	12,578	0	0	0	0	0	2,716	15,294
H. Paulett Eberhart	124,500	250,082	0	0	0	0	4,337	378,919
Peter J. Fluor(5)	131,000	250,082	0	0	0	0	4,337	385,419
Richard L. George	102,000	250,082	0	0	0	0	4,337	356,419
Preston M. Geren III(4)	42,828	0	0	0	0	0	3,165	45,993
Charles W. Goodyear	114,000	250,082	0	0	0	0	4,337	368,419
Joseph W. Gorder	40,490	208,410	0	0	0	0	3,290	252,190
John R. Gordon	141,000	250,082	0	0	0	0	4,337	395,419
Eric D. Mullins	141,000	250,082	0	0	0	0	4,337	395,419
Paula R. Reynolds(4)	51,930	0	0	0	0	0	3,165	55,095

(1) Except for Messrs. Chase and Gorder, the amounts included in this column represent the aggregate grant date fair value of 2,479 deferred shares granted to each non-employee director elected by stockholders on May 13, 2014, computed in accordance with FASB ASC Topic 718. Messrs. Corbett and Geren and Ms. Reynolds were not granted deferred shares due to their retirement from the Board. For Mr. Chase, the amount includes 765 deferred shares granted upon his appointment to the Board on February 12, 2014, and 2,479 deferred shares granted on May 13, 2014. For Mr. Gorder, the amount includes 1,936 deferred shares granted upon his appointment to the Board on July 28, 2014. The value ultimately realized by each director may or may not be equal to this determined value. For a discussion of valuation assumptions, see Note 15 Share-Based Compensation of the Notes to

Consolidated Financial Statements included under Item 8 in our Annual Report on Form 10-K for the year ended December 31, 2014. As of December 31, 2014, each of the non-employee directors had aggregate outstanding deferred shares as follows: Mr. Chase 3,244; Gen. Chilton 12,509; Mr. Corbett 0; Ms. Eberhart 28,186; Mr. Fluor 25,857; Mr. George 9,063; Mr. Geren 5,769; Mr. Goodyear 3,208; Mr. Gorder 1,936; Mr. Gordon 40,962; Mr. Mullins 2,479; and Ms. Reynolds 0. Mr. Goodyear also had 6,584 restricted shares outstanding as of December 31, 2014.

- (2) The non-employee directors did not receive any stock option awards in 2014; however, as of December 31, 2014, each of the non-employee directors had aggregate outstanding vested and exercisable stock options as follows: Mr. Chase 0; Gen. Chilton 0; Mr. Corbett 0; Ms. Eberhart 0; Mr. Fluor 5,650; Mr. George 0; Mr. Geren 1,400; Mr. Goodyear 0; Mr. Gorder 0; Mr. Gordon 24,600; Mr. Mullins 0; and Ms. Reynolds 5,650. There were no unvested options as of December 31, 2014.
- (3) For all non-employee directors, except for Messrs. Chase, Corbett, Geren, Gorder and Ms. Reynolds, the amounts in this column include annual premiums paid by the Company for each director's benefit in the amount of \$162 and \$1,675 for Accidental Death & Dismemberment (AD&D) coverage and Personal Excess Liability (PEL) coverage, respectively. For Mr. Chase, the amount includes \$144 for AD&D coverage and \$1,478 for PEL coverage. For Mr. Corbett, the amount includes \$19 for AD&D coverage and \$197 for PEL coverage. For Mr. Geren and Ms. Reynolds, the amount includes \$59 for AD&D coverage and \$606 for PEL

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coverage. For Mr. Gorder, the amount includes \$70 for AD&D coverage and \$720 for PEL coverage. For all non-employee directors the amounts also include a \$2,500 charitable donation made on their behalf to a charity of their choice.

(4) Mr. Corbett retired from the Company's Board effective February 11, 2014. Mr. Geren and Ms. Reynolds retired from the Board effective May 13, 2014. Mr. Goodyear will retire from the Board effective as of the close of the Annual Meeting.

(5) Mr. Fluor deferred all of his retainer and meeting fees into the Company's Deferred Compensation Plan.

Table of Contents**Security Ownership of Certain****Beneficial Owners and Management**

The information provided below summarizes the beneficial ownership of our NEOs, each of our directors and director nominees, all of our directors, director nominees and executive officers as a group, and owners of more than five percent of our outstanding common stock. Generally, beneficial ownership includes those shares of common stock held by someone who has investment and/or voting authority of such shares or has the right to acquire such common stock within 60 days. The ownership includes common stock that is held directly and also stock held indirectly through a relationship, a position as a trustee, or under a contract or understanding.

DIRECTORS, DIRECTOR NOMINEES AND EXECUTIVE OFFICERS

The following table sets forth the number and percentage of Anadarko common stock beneficially owned by our NEOs, each of our directors and director nominees, and all of our executive officers, directors and director nominees as a group as of March 2, 2015. None of the common stock beneficially owned as set forth below is pledged as security.

Name of Beneficial Owner	Amount and Nature of Beneficial Ownership			
	Number of Shares of Common Stock Beneficially Owned(1)(2)	Stock Acquirable Within 60 Days	Total Beneficial Ownership(3)(4)	Percent of Class
R. A. Walker(5)	219,786	442,499	662,285	*
Robert G. Gwin	70,567	358,494	429,061	*
Charles A. Meloy	106,250	196,233	302,483	*
Robert P. Daniels(6)	86,593	261,633	348,226	*
Robert K. Reeves(7)	166,257	282,324	448,581	*
Anthony R. Chase	5,071	0	5,071	*
Kevin P. Chilton	12,509	0	12,509	*
H. Paulett Eberhart	28,186	0	28,186	*
Peter J. Fluor	36,063	5,650	41,712	*
Richard L. George	19,818	0	19,818	*
Charles W. Goodyear	19,792	0	19,792	*
Joseph W. Gordor	1,936	0	1,936	*
John R. Gordon	154,522	24,600	179,122	*
Mark C. McKinley	1,179	0	1,179	*
Eric D. Mullins	9,063	0	9,063	*
All directors, director nominees and executive officers as a group (17 persons)	1,011,949	1,721,806	2,733,754	*

* Less than one percent.

- (1) This column does not include shares of common stock that the directors or executive officers of the Company have the right to acquire within 60 days of March 2, 2015. This column does include shares of common stock held in the Company's Benefits Trust as a result of the director compensation and deferral elections made in accordance with our benefit plans described elsewhere in this proxy statement. Those shares are subject to shared voting power with the trustee under that Trust and receive dividend equivalents on such shares, but the individuals do not have the power to dispose of, or direct the disposition of, such shares until such shares are distributed to them. In addition, some shares of common stock reflected in this column for certain individuals are subject to restrictions.

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Security Ownership of Certain

Beneficial Owners and Management

- (2) This column does not include the following number of restricted stock units, which are payable (after taxes are withheld) in the form of Company common stock: Mr. Walker 73,341; Mr. Gwin 26,221; Mr. Meloy 26,842; Mr. Daniels 26,842 and Mr. Reeves 20,525. The restricted stock units do not have voting rights but do receive dividend equivalents which are reinvested in Company stock and paid upon vesting of the underlying award.
- (3) In addition to the Anadarko common stock reported in the table, as of December 1, 2014, the directors and executive officers beneficially owned common units of Western Gas Partners, LP (WES) as follows: Mr. Walker 6,900; Mr. Gwin 10,000; Mr. Meloy 3,000; Mr. Daniels 5,150; Mr. Reeves 9,000; Mr. Chase 7,400; Ms. Eberhart 1,000; and Mr. McKinley 9,000. The Company owns a majority interest in WES indirectly through its wholly-owned subsidiaries. As of December 31, 2014, there were 127,695,130 common units of WES outstanding. The directors and executive officers, individually and as a group, beneficially own less than one percent of WES's outstanding common units.
- (4) In addition to the Anadarko common stock reported in the table, as of December 1, 2014, the directors and executive officers beneficially owned common units of Western Gas Equity Partners, LP (WGP) as follows: Mr. Walker 5,000; Mr. Gwin 200,000; Mr. Meloy 5,000; Mr. Daniels 20,000; Mr. Reeves 9,000; Mr. Chilton 900; Mr. Fluor 61,118; and Mr. George 5,000. As of December 31, 2014, there were 218,909,977 common units of WGP outstanding. The directors and executive officers, individually and as a group, beneficially own less than one percent of WGP's outstanding common units.
- (5) Includes 108,000 shares of common stock held by a limited liability company (LLC) over which Mr. Walker and his spouse exercise investment control. The membership interests in the LLC are held by Mr. Walker, his spouse and family trusts of which he is the trustee.
- (6) Includes 63,766 shares of common stock held by a family limited partnership (FLP) over which Mr. Daniels exercises investment control. The limited partner interests in the FLP are held by Mr. Daniels and family trusts.
- (7) Includes 95,000 shares of common stock held by an FLP. Two LLCs serve as the general partners of the FLP. Mr. Reeves serves as the sole manager of one of the LLCs and his spouse serves as the sole manager of the other. The limited partner interests in the FLP are held by family trusts of which Mr. Reeves is the trustee. Mr. Reeves disclaims beneficial ownership of these shares.

CERTAIN BENEFICIAL OWNERS

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The following table shows the beneficial owners of more than five percent of the Company's common stock as of December 31, 2014, based on information available as of February 17, 2015:

Title of Class	Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class
Common Stock	BlackRock, Inc. 55 East 52 nd Street New York, NY 10022	43,286,886(1)	8.50%
Common Stock	The Vanguard Group 100 Vanguard Blvd. Malvern, PA 19355	28,587,442(2)	5.64%
Common Stock	State Street Corporation State Street Financial Center One Lincoln Street Boston, MA 02111	25,693,952(3)	5.10%

(1) Based upon its Schedule 13G/A filed January 22, 2015, with the SEC with respect to Company securities held as of December 31, 2014, BlackRock, Inc. has sole voting power as to 38,500,134 shares of common stock and sole dispositive power as to 43,286,886 shares of common stock.

(2) Based upon its Schedule 13G/A filed February 11, 2015, with the SEC with respect to Company securities held as of December 31, 2014, The Vanguard Group has sole voting power as to 868,893 shares of common stock, sole dispositive power as to 27,780,791 shares of common stock and shared dispositive power as to 806,651 shares of common stock.

(3) Based upon its Schedule 13G filed February 11, 2015, with the SEC with respect to Company securities held as of December 31, 2014, State Street Corporation has shared voting power and shared dispositive power as to 25,693,952 shares of common stock.

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Section 16(A) Beneficial

Ownership Reporting Compliance

Section 16(a) of the Exchange Act requires the Company's directors and executive officers, and persons who own more than 10% of a registered class of the Company's equity securities, to file with the SEC and any exchange or other system on which such securities are traded or quoted, initial reports of ownership and reports of changes in ownership of the Company's common stock and other equity securities. Officers, directors and more than 10% stockholders are required by the SEC's regulations to furnish the Company and any exchange or other system on which such securities are traded or quoted with copies of all Section 16(a) forms they filed with the SEC.

To the Company's knowledge, based solely on a review of the copies of such reports furnished to the Company and written representations that no other reports were required, the Company believes that all reporting obligations of the Company's officers, directors and more than 10% stockholders under Section 16(a) were satisfied during the year ended December 31, 2014, except that Anthony R. Chase, a member of the Board, inadvertently omitted 127 shares of the Company's common stock from an otherwise timely filed Form 3. An amended Form 3 was filed on September 2, 2014.

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Audit Committee Report

The following report of the Audit Committee of the Company, dated February 19, 2015, shall not be deemed to be soliciting material or to be filed with the Securities and Exchange Commission, nor shall this report be incorporated by reference into any filing made by the Company under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended.

The Audit Committee of the Board is responsible for independent, objective oversight of the Company's accounting functions and internal control over financial reporting. The Audit Committee is composed of four directors, each of whom is independent as defined by the NYSE listing standards. The Audit Committee operates under a written charter approved by the Board of Directors, which is available on the Company's website at http://www.anadarko.com/content/documents/apc/Responsibility/Governance_Documents/2013-11-07_Audit_Committee_Charter.pdf.

Management is responsible for the Company's internal control over financial reporting. The independent auditor is responsible for performing an independent audit of the Company's consolidated financial statements in accordance with generally accepted auditing standards in the United States of America and issuing a report thereon. The independent auditor is also responsible for performing an independent audit of the Company's internal control over financial reporting. The Audit Committee's responsibility is to monitor and oversee these processes.

KPMG LLP served as the Company's independent auditor during 2014 and was appointed by the Audit Committee to serve in that capacity for 2015 (and we are seeking ratification by the Company's stockholders at this Annual Meeting of such appointment). KPMG LLP has served as the Company's independent auditor since its initial public offering in 1986.

In connection with these responsibilities, the Audit Committee met with management and the independent auditor to review and discuss the December 31, 2014 audited consolidated financial statements and management's assessment of the effectiveness of the Company's internal control over financial reporting as of December 31, 2014. The Audit Committee also discussed with the independent auditor the matters required to be discussed by standards of the Public Company Accounting Oversight Board (PCAOB).

The Audit Committee also received the written disclosures and the letter from the independent auditor required by the PCAOB regulating the independent auditor's communications with the audit committee concerning independence and has discussed with the independent auditor that firm's independence.

Based upon the Audit Committee's review and discussions with management and the independent auditor referred to above, the Audit Committee recommended to the Board of Directors that the audited consolidated financial statements be included in the Company's Annual Report on Form 10-K for the year ended December 31, 2014 filed with the SEC.

THE AUDIT COMMITTEE

Eric D. Mullins, Chairperson

Kevin P. Chilton

Charles W. Goodyear

Mark C. McKinley

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**Compensation and Benefits Committee Report on
2014 Executive Compensation**

The Compensation Committee, the members of which are listed below, is responsible for establishing and administering the executive compensation programs of the Company. The Compensation Committee of the Company has reviewed and discussed the Compensation Discussion and Analysis required by Item 402(b) of Regulation S-K with management and, based on such review and discussions, the Compensation Committee recommended to the Board that the Compensation Discussion and Analysis be included in this proxy statement.

THE COMPENSATION AND BENEFITS COMMITTEE

Peter J. Fluor, Chairperson

Joseph W. Gorder

John R. Gordon

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Compensation Discussion and Analysis

2014 Pay-for-Performance Highlights:

Exceptional 2014 operational performance recognized in top-quartile annual relative total stockholder return (TSR)

Three-year relative TSR performance impacted by Tronox Adversary Proceeding

Continued robust stockholder engagement, including direct engagement by the Chairperson of our Compensation Committee, resulted in compensation program changes designed to further strengthen the link between pay and performance

Annual target total compensation opportunity for NEOs held flat (CEO held flat since appointment in 2012)

EXECUTIVE SUMMARY

Anadarko is among the world's largest independent exploration and production companies, with approximately 2.86 billion barrels of oil equivalent (BOE) of proved reserves at December 31, 2014. Our asset portfolio is aimed at delivering sustainable value to stockholders by combining a large inventory of development opportunities in the U.S. onshore with high-potential worldwide offshore exploration and development activities.

Our executive compensation program is closely benchmarked to our industry peer group with best practice design and continuous review and improvement. The main objectives of our executive compensation program are to pay for performance while aligning executives' interests with stockholder interests and to attract, motivate and retain executive talent. In pursuing this philosophy, we connect pay and performance by structuring more than 85% of our executive officers' target total compensation opportunity in at-risk cash and equity-based compensation components tied to the achievement of short- and long-term performance criteria that are aligned with our strategic business objectives.

Exceptional Operational Performance in 2014. Anadarko again achieved exceptional operational performance in 2014. The Company's 2014 performance continued the trend over the last several years of delivering consistent high-quality additions of proved reserves, increasing year-over-year margins, increasing year-over-year sales volumes by nearly 40,000 BOE per day above initial guidance, and allocating capital efficiently, all while maintaining a strong safety record. Achieving these key business objectives is fundamental to delivering superior returns for our stockholders over time. Specific achievements included:

Continued Volumes Growth. The Company's full year sales volumes averaged 843 thousand barrels of oil per day, representing an 8% increase over 2013.

Continued Reserves Growth. The Company added over 500 million barrels of proved reserves, replacing more than 160% of its production before the effects of price revisions, at competitive costs. Year-end proved reserves for 2014 were approximately 2.86 billion BOE.

Strategic Acceleration of Value. The Company monetized more than \$2.5 billion of assets during the year through carried-interest arrangements, divestitures and exploration farm-outs, which accelerate value, reduce execution risk and enhance returns without increasing balance sheet leverage.

Advancement of Mega-Projects. The Company achieved significant progress on several large-scale projects, which was highlighted by the achievement of first oil at the Lucius spar located in the Gulf of Mexico in early 2015.

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Compensation Discussion and Analysis

Increased Quarterly Dividend. In May 2014, the Board increased the quarterly dividend paid to its common stockholders from 18 cents per share to 27 cents per share. This marked the second significant increase in our quarterly dividend within a one-year timeframe.

Total Stockholder Return One Year. As an exploration and production company, our revenues, operating results and future growth rates are highly dependent on the prices we receive for our oil, natural gas and natural gas liquids. Commodity prices declined significantly during the second half of 2014, which had a substantial impact on our absolute TSR for the year, as well as on the TSR for our peers. We believe that our continued volumes and reserves growth, deep portfolio, talented people, financial strength, operating capacity and demonstrated commitment to active portfolio management enabled us to differentiate ourselves from our peers and create value for our stockholders. Accordingly, we ended the year in the top quartile of our peer group with positive TSR performance while most of our peers ended the year with negative TSR performance. We believe this outperformance is a result of the exceptional operational performance achieved in 2014.

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Total Stockholder Return Three Years. As discussed in our previous proxy statements, we believe that for the past few years the uncertainty associated with the Tronox Adversary Proceeding negatively impacted our TSR. As of December 31, 2012 and 2013, our three-year TSR performance was below the median of our peers despite our strong operational and financial performance. On April 3, 2014, Anadarko announced the settlement of the Tronox Adversary Proceeding and our stock price immediately increased approximately 15%. Following the Tronox announcement, our 2014 year-to-date TSR rose to the top quartile of our peer group and remained in the top quartile through the end of 2014. While we believe our three-year TSR for the period ended December 31, 2014 continues to reflect the uncertainty associated with the Tronox Adversary Proceeding during 2012 and 2013, we also firmly believe that our top quartile TSR standing for 2014 better reflects the inherent value contained within our deep portfolio, our financial strength and our consistently strong operational performance.

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Compensation Discussion and Analysis

The charts above illustrate the cumulative total return to our stockholders for the one and three-year periods ended December 31, 2014 relative to the cumulative total return of our industry peer group (listed on page 38) and the S&P 500 Index. An investment of \$100 (with reinvestment of all dividends) is assumed to have been made in the Company's common stock, in the S&P 500 Index and in the industry peer group at the beginning of each period reflected in the graphs above. The information contained in the graphs above is furnished and not filed, and is not incorporated by reference into any document that incorporates this proxy statement by reference.

Pay For Performance. As demonstrated in the charts on page 40, the vast majority of our executive officers' target total compensation opportunity is delivered in at-risk compensation components tied to the achievement of short- and long-term performance criteria aligned with our business objectives:

Awards under our annual cash bonus program are based on key operating, financial and safety performance metrics that drive our business and stockholder value.

Our long-term incentive compensation is comprised of 50% performance unit awards that reward relative stockholder value and 25% stock options to reward absolute value creation (for a total of 75% long-term equity awards that are performance-based). The remaining 25% is granted in restricted stock units, the value of which is tied to our share price and which we believe are necessary to retain executive talent in our highly competitive industry.

The Compensation Committee (Committee) believes that the compensation programs in place during 2014 operated as intended and the incentive compensation received by our NEOs appropriately reflected the Company's performance results. As shown below, our financial discipline and strong operational and safety performance in 2014 resulted in an above-target payout under our annual cash bonus program while the Company's two- and three-year stock price performance, which we believe was influenced in large part by the Tronox Adversary Proceeding, resulted in a payout below target for previously granted performance unit awards subject to performance periods ended December 31, 2014.

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Compensation Discussion and Analysis

The performance unit payouts demonstrate that our program is designed to pay out at levels aligned with actual performance and that the value actually earned by the executive officers under our executive compensation program can differ substantially from the grant date values required to be reported in the Summary Compensation Table and other proxy tables.

Active Stockholder Engagement. For several years we have routinely engaged with our stockholders to solicit feedback on Anadarko's executive compensation program, as well as corporate governance, sustainability and environmental issues and other matters. During the last year, we have solicited feedback from stockholders representing approximately half of the Company's outstanding common stock. The Board and its Committees regularly discuss and consider the significant comments or concerns that are identified through this feedback process. Our stockholders' views on corporate governance and executive compensation are important to us, and we value and utilize the feedback and insights that we have received, and continue to receive, from our stockholders.

At the 2014 Annual Meeting of Stockholders, our executive compensation program received the support of approximately 62% of the votes cast. This result was below our previous support of more than 85% of votes cast even though the core objectives and design of our executive compensation program remained materially consistent. Following the 2014 Annual Meeting of Stockholders, the Committee carefully considered specific feedback expressed by stockholders during our outreach efforts and sought an appropriate balance in our executive compensation program to best serve the interests of our stockholders while continuing to attract, motivate and retain the talent necessary to achieve the Company's strategy. In November 2014, the Committee approved changes to the executive compensation program in response to stockholder feedback and taking into account standards in our industry and peer group and the appropriate decisions for our business. We then continued to actively engage with our stockholders to discuss the changes and solicit further feedback. The Chairperson of the Committee also led in-person or telephonic meetings with several stockholders, including five of our top ten largest stockholders, which represented diverse perspectives on the Company's executive compensation program. Additionally, the Chairperson led engagement efforts with the major proxy advisory firms on the drivers of our business and how our executive officers' performance is measured against these drivers.

Table of Contents**Compensation Discussion and Analysis**

While stockholders expressed a variety of views about our executive compensation program, the Committee believes the following actions taken in 2014 are aligned with the most significant and common feedback we received and are in the best interest of the Company and its stockholders:

Common Feedback	Our Response
The majority of annual long-term incentive awards should be performance-based.	We increased the percentage of performance unit awards to our executive officers to 50% (from 40% last year and 25% two years ago) so that our annual long-term equity awards are 75% performance-based (including stock options).
Performance periods for long-term incentive awards should be at least three years.	We eliminated our two-year performance unit program so that going forward all performance unit awards will be subject to a three-year performance period.
The performance payout for a median relative TSR ranking should not exceed target.	We reduced the performance unit award payout opportunity for a relative TSR ranking at the 55th percentile to 100% from 110%. We also reduced the payout opportunities for all TSR performance levels in the third quartile by 12% 14%.

2014 NEO Target Compensation Held Flat. As part of its annual review of executive compensation, in November 2014 the Committee determined that the target total compensation opportunity for the NEOs should remain flat year-over-year as compared to 2013 and that no changes should be made to the current base salaries, target bonus opportunities, and target grant value of annual long-term incentive awards. The Committee believes that the pay opportunity provided by the current levels of fixed and at-risk compensation components properly reflects the scope and responsibilities associated with each NEO's position, is appropriately aligned with the industry peer group and serves to retain and motivate a highly experienced and cohesive executive team with a strong track record of working together to successfully manage the operations of a global company of our scope and complexity, including key challenges such as recent commodity price volatility and uncertain political and regulatory environments.

Mr. Walker's base salary level, target bonus opportunity and target grant value of annual long-term incentive awards have remained the same since his appointment to CEO in May 2012, at which time the Committee positioned his target total compensation at the median of the industry peer then-CEOs. This represented a 22% decrease relative to Mr. Walker's predecessor. As a result of leadership changes and related compensation actions at several industry peer companies since Mr. Walker's appointment, his target total compensation is now between the 50th and 75th percentiles compared to the Peer Proxy Data (defined on page 39). This positioning is similarly aligned with the Company's market capitalization and total asset position against the industry peer group, as discussed beginning on page 38.

As CEO, Mr. Walker's compensation is higher than the compensation of the other NEOs. This difference in compensation is supported by the industry peer group benchmark data, which is substantially higher for the CEO role than for the other NEO positions, and is indicative of the greater responsibility the CEO position entails for the strategic direction, financial condition, operating results and reputation of the Company.

Table of Contents**Compensation Discussion and Analysis**

A detailed description of our executive compensation program and the compensation decisions made by the Committee for 2014 are reported on the pages that follow.

Track Record of Good Governance Practices. Through our commitment to good governance, including our continued stockholder engagement efforts, we have implemented the following practices over the past several years:

What We Do	What We Don't Do
We structure our executive officers' compensation so that more than 85% of pay is at risk	We do not have employment contracts with our executive officers
We emphasize long-term performance in our equity-based incentive awards	We do not provide tax gross-ups on perquisites except with respect to the Company's standard relocation program available to all employees
We maintain a competitive compensation package designed to attract, motivate and retain and reward experienced and talented executive officers	We have a formal policy which does not permit short sales or derivative transactions in Company stock, including hedges
We require robust stock ownership of 6 times base salary for the CEO and 3 times base salary for the other executive officers	We have a formal policy which does not permit directors or executive officers to pledge Company securities
We provide for double-trigger equity acceleration upon a change of control	We do not provide for excise tax gross-ups in key employee change-of-control contracts entered into after February 2011 for newly appointed and/or newly hired executive officers who are not otherwise subject to an existing agreement
We provide for clawback provisions so that our incentive awards are subject to forfeiture (see page 58 for more details)	We do not pay current dividends or dividend equivalents on unvested awards; dividends are accrued and reinvested in Company stock and are paid upon vesting of the underlying award
We consider deductibility when structuring compensation	We do not allow repricing of stock options and stock appreciation rights unless approved by stockholders

HOW WE MAKE COMPENSATION DECISIONS

The Committee has overall responsibility for approving and evaluating the director and officer compensation plans, policies and programs of the Company. The Committee is also responsible for producing a report reviewing the Company's Compensation Discussion and Analysis. The Committee uses several different tools and resources in reviewing elements of executive compensation and making compensation decisions. These decisions, however, are not purely formulaic and the Committee exercises judgment and discretion as appropriate.

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Compensation Discussion and Analysis

Compensation Consultant. The Committee has retained FWC as an independent consultant to provide advice on executive compensation matters. The decision to engage FWC was made by the Committee and FWC reports directly and exclusively to the Committee; however, at the Committee's direction, the consultant works directly with management to review or prepare materials for the Committee's consideration. While engaged as the Committee's consultant, FWC did not perform any services for the Company outside the scope of its arrangement with the Committee. During 2014, the Committee reviewed FWC's independence and determined that there were no conflicts of interest as a result of the Committee's engagement of FWC. The Committee did not engage any consultant other than FWC during 2014 to provide executive compensation consulting services.

In 2014, FWC attended all of the Committee meetings and provided the Committee with market analyses, including Peer Proxy Data (defined on page 39), and an annual independent assessment of the risk associated with the Company's compensation programs. In addition, FWC advised the Committee on the following: market trends; regulatory and governance developments and how they may impact our executive compensation programs; the design and structure of our executive compensation programs to ensure linkage between pay and performance; setting the pay for our CEO; and compensation recommendations for the other executive officers, in consultation with the CEO.

Benchmarking Peers. Within the oil and gas industry, there are a very limited number of companies that closely resemble us in size, scope and nature of business operations. Our industry peer group contains companies in our industry that vary in these respects because we compete with these companies for talent and believe the selected companies are currently the most appropriate with respect to executive compensation benchmarking. The differences and similarities between us and the companies in our industry peer group are taken into consideration when referencing benchmarks for executive compensation decisions.

Each year, FWC conducts an independent review of the Company's industry peer group for the Committee to use as a reference point for assessing competitive executive compensation data (including base salary, target annual incentives and annualized long-term incentive grant values). This review includes an evaluation of Anadarko's peers as designated by proxy advisors, peers of direct peers, and companies included in Anadarko's broad Global Industry Classification Standard Industry Group. In each case, FWC assesses whether there are companies that should be added to or deleted from Anadarko's existing peer group based on relevant size, scope and the nature of their business operations. Unless significant and material changes have affected the companies in our peer group such that a company is no longer an appropriate peer, the Committee prefers to maintain a high degree of continuity of the peer group to ensure consistent comparison for both pay and performance from year to year. Following this year's annual review, the Committee determined that the 12 companies included in the Company's industry peer group remain appropriate for comparison.

The Company's industry peer group used for conducting the 2014 executive compensation benchmarking assessment is listed below.

Apache Corporation
Chesapeake Energy Corporation

Devon Energy Corporation
EOG Resources, Inc.

Murphy Oil Company
Noble Energy, Inc.

Chevron Corporation	Hess Corporation	Occidental Petroleum Corporation
ConocoPhillips	Marathon Oil Corporation	Pioneer Natural Resources Company

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Compensation Discussion and Analysis

At the time of the Committee's 2014 review, the Company's market capitalization and total assets were between the median and the 75th percentile of the peer group, as illustrated by the chart below:

Benchmarking Data. To assist in reviewing the design and structure of our executive compensation program, FWC provides the Committee with an independent assessment of the compensation programs and practices of the companies in our industry peer group. This comprehensive analysis includes compensation data that is obtained from the latest peer proxy statements and updated, as applicable, with recent public filings for company-by-company detail on peer NEO positions (Peer Proxy Data) as well as supplemental third-party survey data.

Due to organizational differences in executive leadership structures and business strategies across our peers, it is difficult to benchmark comparable executive leadership positions for many of our NEOs. As a result, the Committee places emphasis on the Peer Proxy Data in making compensation decisions because this data provides greater transparency and insight into the comparability of our NEOs and executive leadership structure relative to the NEOs and executive leadership structure of our peers. The Peer Proxy Data includes individual incumbent data for each company in our industry peer group and illustrates the differences in job scope, incumbent tenure and overall experience level of peer NEOs compared to our NEOs. In assessing the Peer Proxy Data, the Committee reviewed data summarized by functional positions, by order of pay (i.e., second-highest paid, third-highest paid, etc.), and aggregated by the total direct compensation opportunity of the NEOs collectively as a management team at each peer company. Evaluating the total direct compensation opportunity for each peer company's management team as a whole allows the Committee to consider how each peer company structures the compensation opportunity for their management team regardless of individual functional responsibilities. This approach recognizes the differences in executive leadership structures and business strategies across our peers. When reviewing benchmarking data, the Committee reviews 25th, 50th, and 75th percentile data; however, the Committee does not target a specific percentile of the benchmark data and in making officer compensation decisions takes into account other considerations as noted below.

Role of CEO and/or Other Executive Officers in Determining Executive Compensation. The Committee, after reviewing the information provided by FWC and considering other factors and with input from FWC, determines each element of compensation for our CEO. When making determinations about each element of compensation for the other executive officers, the Committee also considers recommendations from our CEO. Additionally, at the Committee's request, our executive officers may assess the design of, and make recommendations related to, our compensation

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Compensation Discussion and Analysis

and benefit programs, including recommendations related to the performance measures used in our incentive programs. The Committee is under no obligation to implement these recommendations. Executive officers and others may also attend Committee meetings when invited to do so, but the executive officers do not attend when their individual compensation is being discussed.

Other Important Considerations. In addition to the above resources, the Committee strongly considers other factors when making compensation decisions, such as individual experience, individual performance, internal pay equity, development and succession status, and other individual or organizational circumstances. With respect to equity-based awards, the Committee also considers the expense of such awards, the impact on dilution, and the relative value of each element comprising the executive officers' target total compensation opportunity.

Tally Sheets. The Committee uses tally sheets in its annual executive compensation review to enhance the analytical data used by the Committee to evaluate our executive officer compensation and to provide the Committee with a consolidated source for viewing the aggregate value of all elements of executive compensation. The Committee does not assign a specific weighting to the tally sheets in their overall decision-making process, but uses them to gain additional perspective and as a reference in the decision-making process.

ELEMENTS OF OUR COMPENSATION PROGRAM

Our executive compensation program includes direct and indirect compensation elements. We believe that a majority of an executive officer's total compensation opportunity should be performance-based; however, we do not have a specified formula that dictates the overall weighting of each element.

As illustrated in the charts below, 79% of the current CEO and 75%, on average, of target total compensation opportunity for the other NEOs is provided through equity-based incentives that are dependent upon long-term corporate performance and stock-price appreciation. Any value ultimately realized for these long-term equity-based awards is directly tied to Anadarko's absolute and relative stock-price performance and will fluctuate along with stockholder returns.

The charts above are based on the following: current base salaries, as discussed on page 42; target bonus opportunities approved by the Committee in 2014 for 2015, as discussed on page 43; and the estimated grant date value for the 2014 annual equity awards, as discussed on page 48.

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Compensation Discussion and Analysis

Direct Compensation Elements

The direct compensation elements are outlined in the table below. The indirect compensation elements are outlined in a table on page 51.

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Table of Contents**Compensation Discussion and Analysis****ANALYSIS OF 2014 COMPENSATION ACTIONS**

The following is a discussion of the specific actions taken by the Committee in 2014 related to each of our direct compensation elements. Each element is reviewed annually, as well as at the time of a promotion, other change in responsibilities, other significant corporate events or a material change in market conditions.

As discussed above, the Committee determined that the target total compensation opportunity for the NEOs should remain flat year-over-year and that no changes should be made to the current base salaries, target bonus opportunities, and target grant value of annual long-term incentive awards.

Base Salary

The table below reflects the base salaries for the NEOs that were approved by the Committee in 2014:

Name	Salary as of January 1, 2014(\$)	Salary as of November 9, 2014(\$)	Increase
Mr. Walker	1,300,000	1,300,000	0%
Mr. Gwin	750,000	750,000	0%
Mr. Meloy	700,000	700,000	0%
Mr. Daniels	700,000	700,000	0%
Mr. Reeves	700,000	700,000	0%

Performance-Based Annual Cash Incentives (Bonuses)

All employees of the Company, including our executive officers, participate in the Annual Incentive Program (AIP), which is part of our 2012 Omnibus Incentive Compensation Plan (2012 Omnibus Plan) that was approved by our stockholders in May 2012. Our AIP is designed to focus our executive officers and employees on the key drivers of the Company's continued success and reward them for effectively managing the Company's investment dollars in the safe and efficient growth of sales volumes, reserves and cash flows by focusing on the following performance criteria:

Reserve Additions
Sales Volumes
Capital Expenditures

EBITDAX/BOE
Total Recordable Incident Rate

Capital expenditure and cash flow margin targets are incorporated in the incentive compensation program to incentivize financial discipline and cost management. These five metrics work together in order for the Company to achieve its long-term strategic performance objectives and provide the best, most direct means of aligning the actions of our executive officers and employees in the short term to position the company to deliver superior total stockholder returns over the long term.

In February 2014, the Committee established a baseline AIP performance hurdle for the NEOs of \$3.1 billion of Cash Flow from Operating Activities (Net cash provided by (used in) operating activities) as calculated in the Consolidated Statements of Cash Flows, but excluding the effect of any significant (i.e., \$100 million or greater) legal settlements/satisfaction of judgments (as described in Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Sources of Cash—Operating Activities) for the fiscal year as published in the Company's Annual Report on Form 10-K for the year ended December 31, 2014. If this performance hurdle was not achieved, the NEOs subject to Section 162(m) of the IRC would earn no

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AIP bonuses for the year under the 2012 Omnibus Plan. If the performance hurdle was met, the bonus pool would be funded at the maximum bonus opportunity level for each NEO. The Committee may apply negative discretion in determining actual awards, taking into consideration our actual performance against corporate annual performance goals, each individual officer's performance and contributions, and other factors. The Committee does not have the discretion to increase bonuses above funded amounts. The AIP bonus pool was fully funded for the 2014 performance year because the Company exceeded the established performance hurdle.

If the initial performance hurdle is met, the Committee uses the following formula as a guideline for determining individual bonus payments:

$$\begin{array}{ccccccc}
 \text{Individual base} & & \text{Individual target} & & \text{AIP} & & \text{Individual} \\
 \text{salary earnings} & & \text{bonus opportunity} & & \text{performance} & & \text{performance} \\
 \text{for the year} & \times & \text{(equal to a} & \times & \text{score \%} & \text{+/-} & \text{adjustments} \\
 & & \text{\% of base salary)} & & & & \text{(if any)} \\
 & & & & & & \text{Actual} \\
 & & & & & & \text{bonus} \\
 & & & & & & \text{earned}
 \end{array}$$

Individual Target Bonus Opportunities. Individual target bonus opportunities are set as a percentage of base salary. Executive officers may earn from 0% to 200% of their individual bonus target. The bonus targets for the NEOs for 2014 are shown in the table below. Following its annual review of executive compensation in November 2014, the Committee made no changes to the NEO bonus targets for 2015.

Name	Target Payout as a % of Salary	Minimum Payout	Maximum Payout
		as a % of Salary (i.e., 0% of bonus target)	as a % of Salary (i.e., 200% of bonus target)
Mr. Walker	130%	0%	260%
Mr. Gwin	95%	0%	190%
Mr. Meloy	95%	0%	190%
Mr. Daniels	95%	0%	190%
Mr. Reeves	95%	0%	190%

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AIP Performance Goals and Score. The Company's AIP performance score for 2014 was based on the achievement of targeted levels of performance for the following internal operational, financial and safety goals:

Performance Goals	Purpose
<i>Operational:</i>	The primary business objectives for an exploration and production company are to find reserves at a competitive cost while generating economic value for its stockholders and assuring that these reserves are prudently converted into production and cash flow. Including specific operational goals on reserve additions (excluding price revisions, acquisitions and divestitures) and sales volumes provides a direct line of sight for our employees and gives them a direct stake in our operational successes.
Reserve Additions	
Sales Volumes	
<i>Financial(1):</i>	These financial goals focus on financial discipline and encourage employees to manage costs relative to gross margins and the commodity price environment.
Capital Expenditures	
EBITDAX/BOE	
<i>Safety:</i>	The health and safety of our employees is very important to us and critical to our success. Accordingly, we include among our performance goals a target total recordable incident rate per 100 employees so that employees are focused on maintaining a safe work environment.
Total Recordable Incident Rate	

(1) For AIP purposes, Capital Expenditures excludes the capital expenditures of WES and WGP, expenditures for acquisitions, non-cash investments, and certain other expenditures including capital associated with assets expected to be divested and capital that is carried or subsequently reimbursed by another party. EBITDAX/BOE is calculated as earnings before interest, taxes, depreciation, depletion, amortization, and exploration expenses divided by sales volumes for the year. For AIP purposes, it excludes hedging arrangements, gains/losses on sales of assets, major legal-related settlements or expenses and other non-operating income/expense items.

In early 2014, the Committee approved specified performance goals and target performance levels that were aligned with the Company's capital budget at the time. The AIP performance goals were approved by the Committee with the qualification that certain modifications might be required during the course of the year as a result of any material developments related to (i) the Tronox Adversary Proceeding and/or (ii) additional clarity relating to the timing of the Mozambique development project. The outcome of both of these issues was largely beyond the direct control of the Company's management.

In May 2014, following settlement of the Tronox Adversary Proceeding, the Board increased the Company's capital budget as a result of reduced uncertainty regarding the financial impact of that matter. At the same time, despite substantial efforts by the Company and due principally to circumstances beyond the Company's control, it became

apparent that the reserves related to the Mozambique development project (which were included in the initial Reserve Additions performance goal) would not be booked in 2014, making the original targeted performance level no longer relevant. As a result of these two events, the Committee approved the following modifications to the targeted performance goals: an increase in Capital Expenditures from \$8,400 MM to \$8,900 MM and an increase in Sales Volumes from 295 MMBOE to 298 MMBOE to align with the new capital budget; and a decrease in Reserve Additions from 550 MMBOE to 492 MMBOE reflecting an increase in Reserve

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Additions associated with the increase to the capital budget and adjusted to reflect the reserves associated with the Mozambique development project. The Committee determined that these modifications were necessary in order to align the program with the revised direction and goals of the Company for 2014 and properly incentivize all employees.

Following these modifications, the 2014 AIP operational performance goals remained more challenging than the prior years' goals. Over the last several years the Committee has established increasingly challenging annual performance goals under our AIP to generate competitive returns and advance our longer-term growth objectives, without compromising the safety of our employees. The Committee believes that the targets established for all of the 2014 AIP performance goals were challenging and appropriately required the executive officers and all employees to strive for strong performance on key metrics that ultimately result in long-term stockholder value creation.

For 2014, the Company outperformed the goals relating to Reserve Additions, Sales Volumes and Safety performance with record-setting operational results and a continued commitment to safety. The Company also outperformed the targeted financial goals established by the Committee for Capital Expenditures and EBITDAX/BOE, which demonstrates our continued commitment to financial discipline by spending efficiently and maximizing margins.

2014 Performance Results. The table below reflects the 2014 performance results against each of the specified targets. Each performance goal is capped at 275% and the total AIP score cannot exceed 200%.

2014 AIP Performance Goals	Relative Weighting Factor	AIP Target Performance	AIP Performance Results(1)	AIP Performance Score(1)
Reserve Additions (before price revisions and divestitures), MMBOE	25%	492	503.0	35%
Sales Volumes, MMBOE	25%	298	307.4	51%
Capital Expenditures, \$MM	20%	8,900	8,585	25%
EBITDAX/BOE(\$)	20%	31.60	34.61	25%
Total Recordable Incident Rate (Safety)	10%	0.35	0.30	15%
Total	100%			151%

(1) The Committee did not make any adjustments to the measured 2014 AIP performance results or overall calculated 2014 AIP performance score.

Individual Performance Adjustments. The Committee may make an adjustment to an executive officer's bonus payment based on individual performance to recognize an individual's significant contributions that may not be reflected in the overall AIP performance score. Such adjustment cannot result in a bonus payment that exceeds the

maximum bonus opportunity funded for each NEO by the achievement of the prescribed IRC Section 162(m) performance hurdle. The Committee did not make individual performance adjustments for any NEO's 2014 bonus payments in recognition of the team effort necessary to drive the Company's success.

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Actual Bonuses Earned for 2014. The AIP awards for 2014 for the NEOs are shown in the table below and are reflected in the Non-Equity Incentive Plan Compensation column of the Summary Compensation Table.

Name	Base Salary Earnings for 2014(\$)		Target Bonus as % of Base Salary		AIP Performance Score		Individual Performance Adjustments		Actual Bonus Award (\$)
Mr. Walker	1,300,000	X	130%	X	151%	+	0	=	2,551,900
Mr. Gwin	750,000	X	95%	X	151%	+	0	=	1,075,875
Mr. Meloy	700,000	X	95%	X	151%	+	0	=	1,004,150
Mr. Daniels	700,000	X	95%	X	151%	+	0	=	1,004,150
Mr. Reeves	700,000	X	95%	X	151%	+	0	=	1,004,150

Equity Compensation

Our equity-based long-term incentive program is designed to reward our executive officers for sustained long-term share performance. This program represents 75% or more of target total compensation opportunity and includes a combination of equity-based awards (performance units, stock options and restricted stock units) that we believe are performance-based in absolute and relative terms. Pursuant to our equity grant administration procedures established by the Committee, annual equity-based awards for executive officers are typically made at the regularly scheduled Committee meeting in November. Equity awards for newly hired executive officers or awards made in connection with promotions are made on the date such awards are approved by the Committee.

Changes to Equity Compensation Program in 2014. Our annual awards are determined based on a targeted dollar value. After receiving feedback from our stockholders that the majority of equity compensation granted to executive officers should be more performance-based, the Committee increased the amount of performance units so that the 2014 targeted equity award value was allocated 50% in performance units (from 40% in 2013 and 25% in 2012), 25% in non-qualified stock options (from 35% in 2013), and 25% in restricted stock units. The Committee believes that this allocation provides a combination of equity-based awards that is performance-based in relative and absolute terms, while also providing a retentive element that is necessary in an industry where there is increasing competition for executive talent. The Committee also eliminated our two-year performance unit program so that all performance unit awards granted in 2014 are subject to a three-year performance period. In addition, the Committee reduced the TSR performance payout opportunity for all new performance unit awards. For additional details on the terms of these awards see page 61.

Performance Units. The Committee has established TSR as the performance criterion for the Company's performance unit awards, and believes that a single focus on TSR as the performance criterion for the performance units is appropriate at this time and is consistent with most energy industry peers. TSR provides an effective relative comparison of our performance against an industry peer group. The Committee has discussed the extent to which certain operational or financial measures could be used as relative long-term performance criteria, such as return on capital employed. The Committee concluded that the performance measures included in our AIP are intended to

capture the key drivers of the Company's business, and that such AIP metrics should drive TSR performance over time. However, the Committee will continue to consider whether to include additional performance metrics in the performance unit program.

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Performance Unit Peer Group. The industry peer group for our awards granted in 2014 is listed below:

Apache Corporation	EOG Resources, Inc.	Noble Energy, Inc.
Chevron Corporation	Hess Corporation	Occidental Petroleum Corporation
ConocoPhillips	Marathon Oil Corporation	Pioneer Natural Resources Company
Devon Energy Corporation	Murphy Oil Company	

If any of these peer companies undergoes a change in corporate capitalization or a corporate transaction (including, but not limited to, a going-private transaction, bankruptcy, liquidation, merger or consolidation) during the performance period, the Committee shall undertake an evaluation to determine whether such peer company will be replaced. At the time these awards were granted, the Committee pre-approved Chesapeake Energy Corporation and Talisman Energy as replacement companies (in that order).

Performance Unit Payout Opportunity. In November 2014, the Committee reduced the payout opportunity for achievement of TSR performance at the 55th percentile from a payout of 110% to a payout of 100% and reduced the payout opportunities for achievement of all applicable TSR performance levels in the third quartile by 12% to 14% (as reflected in the shaded areas in the table below) for all new awards. While certain stockholders suggested eliminating the payout opportunity for TSR performance below median, the Committee believes that completely eliminating any opportunity would place the Company at a competitive disadvantage in attracting and retaining executive talent because all of the companies in the industry peer group provide for some level of payout below median. The Committee also considered placing a cap on earned awards at target if absolute TSR is negative for the performance period, regardless of relative TSR. Our business is highly dependent on the prices we receive for our oil, natural gas and natural gas liquids, and the Committee believes that stockholders are best served by a management team that is highly incentivized to deliver differentiating performance in a challenging industry-wide environment. Accordingly, the Committee determined that placing such a cap on earned awards is not appropriate at this time. In addition, the Committee maintains the ability to apply negative discretion to these awards should the Committee deem such discretionary adjustment necessary.

The following table reflects the payout scale for the annual performance unit program for awards granted in November 2014 as well as outstanding performance unit awards granted prior to November 2014:

Final TSR Ranking	1	2	3	4	5	6	7	8	9	10	11	12
TSR Performance Percentile	100%	91%	82%	73%	64%	55%	46%	36%	27%	18%	9%	0%
Payout as % of Target												
Awards Granted												
in November 2014	200%	182%	164%	146%	128%	100%	80%	60%	40%	0%	0%	0%
Awards Granted	200%	182%	164%	146%	128%	110%	92%	72%	54%	0%	0%	0%

Prior to November 2014



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The examples below illustrate how the performance unit payout scale works under two different TSR ranking outcomes, assuming an executive officer received a target award of 20,000 performance units in November 2014 subject to a three-year performance period. Each performance unit earned is a right to receive a cash payment equal to the closing price of one share of our common stock on the date the Committee certifies the performance results for the performance period.

	Relative TSR Ranking for Three-Year Performance Period	Payout Percentage	Number of Performance Units Earned
Example 1	3 rd	164%	32,800 units (20,000 x 164%)
Example 2	10 th	0%	0 units (20,000 x 0%)

Stock Options. Stock options typically vest pro-rata annually over three years, beginning with the first anniversary of the date of grant, and have a term of seven years. The exercise price is not less than the market price on the date of grant and repricing of stock options to a lower exercise price is prohibited, unless approved by stockholders.

Restricted Stock Units. The Committee establishes objective performance criteria for each calendar year that must be achieved before any restricted stock units are awarded to executive officers the following year. If the performance criteria are achieved, the Committee may make awards of restricted stock units to the executive officers. The restricted stock units awarded vest pro-rata annually over three years, beginning with the first anniversary of the grant date. All of the restricted stock unit awards made in November 2014 were made after the Company's achievement of the 2013 performance criterion, which was to obtain at least \$3.1 billion in Cash Flows from Operating Activities (Net cash provided by (used in) operating activities) as presented in the Consolidated Statements of Cash Flows in the Company's Annual Report on Form 10-K for the year ended December 31, 2013.

Equity Awards Made During 2014

On November 6, 2014, the Committee approved the following awards under our 2012 Omnibus Plan for the NEOs. The target grant value of each of the awards was held flat as compared to awards granted in 2013. These awards, as well as a description of the methodology for calculating the grant date fair value, are included in the Grants of Plan-Based Awards Table on page 62.

Total LTI Grant	Performance Units (50 %)	Stock Options (25 %)	Restricted Stock Units (25 %)
----------------------------	-------------------------------------	---------------------------------	--

Name	Date Value(\$)	Target # of Units	Grant Date Value(\$)	# of Stock Options	Grant Date Value(\$)	# of Units	Grant Date Value(\$)
Mr. Walker	11,097,530	55,606	5,557,820	118,005	2,779,856	29,514	2,759,854
Mr. Gwin	4,430,129	22,198	2,218,690	47,107	1,109,704	11,782	1,101,735
Mr. Meloy	4,530,919	22,703	2,269,165	48,179	1,134,958	12,050	1,126,796
Mr. Daniels	4,530,919	22,703	2,269,165	48,179	1,134,958	12,050	1,126,796
Mr. Reeves	3,467,795	17,376	1,736,731	36,873	868,621	9,223	862,443

Table of Contents**Compensation Discussion and Analysis*****Performance Units Results for Performance Periods Ended December 31, 2014***

In January 2015, the Committee certified the performance results for the 2011 and 2012 annual performance unit awards for the three- and two-year performance periods, respectively, that ended December 31, 2014. Under the provisions of these awards, the targeted performance units were subject to our relative TSR performance against the defined TSR peer group discussed on page 47. However, Plains Exploration & Production Company, which was included in the TSR peer group at the time the awards were granted, was acquired in May 2013 and the Committee replaced it with Murphy Oil Company. TSR performance is based on the difference between (1) the average closing stock price for the 30 trading days preceding the beginning of the performance period, and (2) the average closing stock price for the last 30 trading days of the performance period, plus dividends paid for the performance period, and further adjusted for any other distributions or stock splits, where applicable.

The Committee believes that these below-target payouts for below-median performance demonstrate that our performance unit program, and our overall executive compensation program, is well-designed to link pay and performance. This year's payouts show that the values actually earned by executives under our executive compensation program can differ substantially from the grant date values required to be reported in the Summary Compensation Table and other proxy tables, as our program is designed to pay out at levels aligned with actual performance.

For the performance periods ended December 31, 2014, the performance results and Anadarko's ranking, as highlighted, were as follows:

2011 Annual Award Three-Year Performance Period (January 1, 2012 to December 31, 2014)

	APC											
Final TSR Ranking	1	2	3	4	5	6	7	8	9	10	11	12
TSR	90.4%	69.3%	43.1%	34.5%	20.7%	18.8%	13.8%	10.8%	9.8%	0.0%	-1.9%	-28.0%
Payout as % of Target	200%	182%	164%	146%	128%	110%	92%	72%	54%	0%	0%	0%

2012 Annual Award Two-Year Performance Period (January 1, 2013 to December 31, 2014)

	APC											
Final TSR Ranking	1	2	3	4	5	6	7	8	9	10	11	12
TSR	56.5%	50.1%	42.3%	29.1%	17.6%	17.1%	12.9%	11.9%	3.5%	3.2%	-0.6%	-14.7%
Payout as % of Target	200%	182%	164%	146%	128%	110%	92%	72%	54%	0%	0%	0%

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The following table lists the number of performance units awarded at minimum, target, and maximum levels and the actual number of performance units earned by the NEOs for the 2011 and 2012 annual performance unit awards for the three-year and two-year performance periods that ended December 31, 2014:

Name	2011 Annual Performance Unit Award				2012 Annual Performance Unit Award			
	Minimum	Target	Maximum	Actual # Units Earned	Minimum	Target	Maximum	Actual # Units Earned
	# Units				# Units			
Mr. Walker	0	8,178	16,356	4,416	0	17,167	34,334	15,794
Mr. Gwin	0	4,903	9,806	2,648	0	6,119	12,238	5,629
Mr. Meloy	0	5,033	10,066	2,718	0	6,281	12,562	5,779
Mr. Daniels	0	5,033	10,066	2,718	0	6,281	12,562	5,779
Mr. Reeves	0	3,838	7,676	2,073	0	4,789	9,578	4,406

Performance Units Results for 2012 CEO Appointment Award

In connection with his appointment to CEO on May 15, 2012, Mr. Walker received a promotional equity award, including performance units (2012 CEO Appointment Award). The performance units were subject to the same performance criteria as performance unit awards for executive officers, except that the two- and three-year performance periods for the grant to Mr. Walker begin on May 15, 2012 and end on May 14, 2014 and May 14, 2015, respectively. In June 2014, the Committee certified the performance results for the two-year performance period that ended May 14, 2014. For such performance period, the performance result and Anadarko's ranking, as highlighted, was as follows:

2012 CEO Appointment Award Two-Year Performance Period (May 15, 2012 to May 14, 2014)

	1	2	3	4	5	6	APC 7	8	9	10	11	12
Final TSR Ranking												
TSR	91.1%	81.3%	64.6%	53.4%	46.0%	43.5%	36.9%	28.6%	25.4%	12.5%	5.9%	-5.4%
Payout as % of Target	200%	182%	164%	146%	128%	110%	92%	72%	54%	0%	0%	0%

The following table lists the number of performance units awarded at minimum, target, and maximum levels and the actual number of performance units earned by Mr. Walker for the two-year performance period that ended May 14, 2014:

	2012 CEO Appointment Award											
Name												

	Minimum # Units	Target # Units	Maximum # Units	Actual # Units Earned
Mr. Walker	0	5,253	10,506	4,833

Table of Contents**Compensation Discussion and Analysis*****Indirect Compensation Elements***

As identified in the table below, the Company provides certain benefits and perquisites (considered indirect compensation elements) that are considered typical within our industry and necessary to attract and retain executive talent. The value of each element of indirect compensation is generally structured to be competitive within our industry.

Indirect Compensation Element	Primary Purpose
Retirement Benefits	Attracts talented executive officers and rewards them for extended service
	Offers secure and tax-advantaged vehicles for executive officers to save effectively for retirement
Other Benefits (for example, health care, paid time off, disability and life insurance) and Perquisites	Enhances executive welfare and financial security
	Provides a competitive package to attract and retain executive talent, but does not constitute a significant part of an executive officer's compensation
Severance Benefits	Attracts and helps retain executives in a volatile and consolidating industry
	Provides transitional income following an executive's involuntary termination of employment

Retirement Benefits

Our executive officers participate in the following retirement and related plans:

Anadarko Employee Savings Plans. The Anadarko Employee Savings Plan (401(k) Plan) is a tax-qualified retirement savings plan that allows participating U.S. employees to contribute up to 30% of eligible compensation, on a before-tax basis or on an after-tax basis (via a Roth or traditional after-tax contribution), into their 401(k) Plan accounts. Eligible compensation includes base salary and AIP bonus payments. Under the 401(k) Plan, we match an amount equal to one dollar for each dollar contributed by participants up to six percent of their total eligible compensation. The 401(k) Plan is subject to applicable IRC limitations regarding participant and Company contributions. Due to IRC limitations that restrict the amount of benefits payable under tax-qualified plans, we also sponsor a non-qualified Savings Restoration Plan. The Savings Restoration Plan accrues a benefit equal to the excess, if any, of Company matching and Personal Wealth Account (PWA) contributions that would have been allocated to a participant's 401(k) Plan account each year without regard to the IRC limitation over amounts that were, in fact, allocated to a participant's account. For additional details on the Savings Restoration Plan see page 69. Amounts deferred, if any, under the 401(k) Plan and the Savings Restoration Plan (collectively, the Savings Plans) by the NEOs are included, respectively, in the Salary and Non-Equity Incentive Plan Compensation columns of the Summary Compensation Table. Our matching contributions allocated to the NEOs under the Savings Plans are included in the

All Other Compensation column of the Summary Compensation Table.

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Compensation Discussion and Analysis

Pension Plans. Anadarko provides funded, tax-qualified retirement benefits for all U.S. employees. Due to IRC limitations that restrict the amount of benefits payable under tax-qualified plans, we also sponsor non-qualified restoration plans that cover the executive officers and certain other employees. The pension plans do not require contributions by participants and a participant becomes vested in his or her benefit at the completion of three years of service as defined in the pension plans. Eligible compensation covered by the pension plans includes base salary and AIP bonus payments.

Messrs. Walker and Reeves each have supplemental retirement benefits under our non-qualified Retirement Restoration Plan that provide for special service credits of eight years and five years, respectively, if they each remain employed by us until the age of 55. Messrs. Walker and Reeves vested in these benefits in 2012. The service credits are considered applicable service towards our retirement benefit programs, including pension and retiree medical and dental benefits, where applicable. These supplemental retirement benefits were provided to Messrs. Walker and Reeves in 2007 to recognize that they were mid-career hires that we would like to retain for the remainder of their careers. Providing them additional service credits recognizes a portion of their prior industry experience and service years which directly benefit us and our stockholders. Mr. Meloy is eligible to receive supplemental pension benefits under the terms of his retention agreement, which was entered into in August 2006 in connection with the closing of the Kerr-McGee acquisition (2006 Retention Agreement).

The accrued benefits for each of the NEOs, including the benefits related to any special service credits are discussed in the Pension Benefits Table on page 69. The Committee does not intend to grant any additional pension credits to executive officers and has not done so since 2007.

Other Benefits

We provide other benefits such as medical, dental, and vision insurance, flexible spending and health savings accounts, paid time off, payments for certain relocation costs, disability coverage and life insurance to each executive officer. These benefits are also provided to all other eligible U.S.-based employees. Certain employees, including the executive officers, are eligible for participation in the Company's Management Life Insurance Plan, which provides an additional life insurance benefit of two times base salary, and the Deferred Compensation Plan, which allows participants to voluntarily defer receipt of up to 75% of their salary and/or up to 100% of their AIP bonus payments. Details regarding the Deferred Compensation Plan and participation in the plan by the NEOs are discussed beginning on page 69.

Perquisites

We provide a limited number of perquisites to the executive officers. These perquisites are assessed annually by the Committee as part of the total competitive review. The expenses related to the perquisites are imputed and considered taxable income to the executive officers as applicable. We do not provide any tax gross-ups on these perquisites. The perquisites provided to the executive officers are as follows:

Financial Counseling, Tax Preparation and Estate Planning

Annual Physical Exam Program

Personal Excess Liability Insurance

Limited Personal Use of Company Aircraft

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Compensation Discussion and Analysis

Club Memberships

Limited Personal Use of Company Facilities and Event Venues

Mr. Walker has a personal usage limit allowing him to use Company aircraft for a limited amount of personal travel and, to the extent his usage exceeds such amount, requiring him to reimburse the Company pursuant to a time-sharing agreement. The prior year's aggregate incremental direct operating costs for each aircraft is used to calculate the value of personal usage. For 2014, Mr. Walker was allowed up to \$300,000 of personal usage.

The incremental costs of the various perquisites provided are included in the All Other Compensation column of the Summary Compensation Table on page 59 and in the All Other Compensation Table and supporting footnotes following the Summary Compensation Table on page 60.

Severance Benefits

Post-termination and change-of-control severance benefits are typical within our industry. The Company currently provides the severance benefits described below to its executive officers. These plans are an essential component of our executive compensation program and are necessary to attract and retain executive talent in a highly competitive market, provide continuity of management in the event of an actual or threatened change of control and provide executive officers with the security to make decisions that are in the best long-term interest of the stockholders. On a periodic basis, the Committee, in consultation with its executive compensation consultant, will review, consider and adjust, as necessary and appropriate, the provisions of post-termination and change-of-control severance benefits provided to executive officers to ensure that such arrangements serve the Company's interests in retaining key executives, are consistent with market practice and are reasonable.

Officer Severance Plan. Our executive officers are eligible for benefits under the Officer Severance Plan with the exception of Mr. Walker whose severance benefits are included in his Severance Agreement, which is described on page 56. Benefits provided under the Officer Severance Plan may vary depending upon the executive officer's level within the organization and years of service with us and are made at the discretion of the Committee. Executive officers receiving benefits under the Officer Severance Plan are required to execute an agreement releasing us from any and all claims from any and all kinds of actions arising from the executive officer's employment with us or the termination of such employment.

The typical severance benefits that may be provided for our executive officers following the occurrence of an involuntary termination event (as described on page 72) include the following:

a payment equal to two times annual base salary plus one year's target bonus under our AIP;

if provided, a pro-rata bonus under our AIP for the year of termination, which will be payable at the end of the performance period, based on actual Company performance as certified by the Committee;

the option to continue existing medical and dental coverage levels at current active employee rates for up to six months. After six months, we will pay the cost of COBRA until the first to occur of (a) 18 months or (b) the officer obtaining comparable coverage as a result of employment with another employer;

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Compensation Discussion and Analysis

the vesting of some or all unvested restricted stock, unvested restricted stock units and stock options; and

a payout, if any, of outstanding performance units, which will be made at the end of the performance period based on actual Company performance results.

Key Employee Change-of-Control Contracts. We have key employee change-of-control contracts with all of our executive officers, including the NEOs, with the exception of Mr. Walker, whose change-of-control severance benefits are included in his Severance Agreement, which is described on page 56.

If we experience a change of control (as defined on page 72) during the term of the contract, then the contract becomes operative for a specified protection period. These contracts generally provide that the executive officer's terms of employment (including position, work location, compensation and benefits) will not be adversely changed during the protection period. If we (or any successor in interest) terminate the executive officer's employment (other than for cause (as defined on page 72), death or disability), the executive officer terminates for good reason (as defined on page 73) during such protection period, or upon certain terminations prior to a change of control or in connection with or in anticipation of a change of control, the executive officer is generally entitled to receive certain payments and benefits. In 2014, no payments were paid under the change-of-control contracts.

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In February 2011, the Committee approved changes to the contracts that reduced the level of post-change-of-control severance benefits under the Key Employee Change-of-Control Contracts, on a prospective basis, for newly appointed and newly hired executive officers who are not otherwise subject to an existing agreement. The table below summarizes the general provisions of the contracts (our current NEOs have contracts that were entered into prior to February 2011).

Key Employee Change-of-Control Contracts	Key Employee Change-of-Control Contracts
Entered Into Prior to February 2011	Entered Into Post-February 2011
Initial three-year term automatically extended each year unless either party provides notice not to extend	Initial three-year term automatically extended each year unless either party provides notice not to extend
Modified single-trigger provision(1)	Double-trigger provision(2)
Three-year protection period	Two-year protection period
2.9 times base salary plus AIP bonus (based on highest AIP bonus paid over last three years)	2.9 times base salary plus AIP bonus (based on highest AIP bonus paid over last three years)
Up to three additional years of matching contributions into the Savings Restoration Plan	Up to three additional years of matching contributions into the Savings Restoration Plan
Up to three additional years of age and service credits under the Company's retirement and pension plans	Up to three additional years of age and service credits under the Company's retirement and pension plans
Three years continuation of medical, dental, and life insurance benefits	Three years continuation of medical, dental, and life insurance benefits
Three years of financial planning benefits	No continuation of financial planning benefits
Excise tax gross-up(3)	Best-of-net tax provision (i.e., no tax gross-up by the Company)(4)
Outplacement services up to a maximum of \$30,000	Outplacement services up to a maximum of \$30,000
Officer is subject to a confidentiality provision	Officer is subject to a confidentiality provision

(1) A good reason provision allowing an executive officer to terminate for any reason during the 30-day period immediately following the first anniversary of a change of control and receive severance benefits.

(2) Severance payments are made only in the event of both a change of control and the termination of the executive officer's employment without cause or for good reason during the applicable protection period.

(3)

The executive officer will be entitled to receive a payment in an amount sufficient to make the executive whole for any excise tax on excess parachute payments imposed under IRC Section 4999.

- (4) Requires the Company to either (1) reduce the amount of certain severance benefits otherwise payable so that such severance benefits will not be subject to the tax imposed by IRC Section 4999, or alternatively (2) pay the full amount of severance benefits to the executive officer (but with no tax gross-up), whichever produces the better after-tax result for the executive officer.

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Compensation Discussion and Analysis

As a condition to receipt of change-of-control severance benefits, the executive officer must remain employed by us and provide services commensurate with his or her position until the executive officer is terminated pursuant to the provisions of the contract. The executive officer must also agree to retain in confidence any and all confidential information known to him or her concerning us and our business so long as the information is not otherwise publicly disclosed.

Change of Control Treatment of Outstanding Unvested Equity Awards. The treatment of unvested outstanding equity awards upon a change of control of Anadarko is prescribed by the applicable plan document under which the awards were granted. The Company's 2008 Omnibus Incentive Compensation Plan (2008 Omnibus Plan), which governs awards made prior to May 15, 2012, included a single-trigger provision for the accelerated vesting of equity awards upon a change of control. All outstanding awards to the NEOs under the 2008 Omnibus Plan were fully vested by the end of 2014. The 2012 Omnibus Plan, which governs awards made on or after May 15, 2012, includes a double-trigger provision that provides that, unless otherwise specified in the award agreement, there is only accelerated vesting of awards in the event of both a change of control of the Company and the termination of the participant's employment without cause or for good reason during the applicable protection period. All equity awards issued under the 2012 Omnibus Plan contain this double-trigger feature.

DIRECTOR AND OFFICER INDEMNIFICATION AGREEMENTS

We have entered into indemnification agreements with our directors and certain executive officers, in part to enable us to attract and retain qualified directors and executive officers. These agreements require us, among other things, to indemnify such persons against certain liabilities that may arise by reason of their status or service as directors or officers, to advance their expenses for proceedings for which they may be indemnified, and to cover such person under any directors' and officers' liability insurance policy that we may maintain from time to time. These agreements are intended to provide indemnification rights to the fullest extent permitted under applicable Delaware law and are in addition to any other rights our directors and executive officers may have under our Restated Certificate of Incorporation, By-Laws and applicable law.

AGREEMENTS WITH EXECUTIVE OFFICERS

Mr. Walker Severance Agreement

In connection with Mr. Walker's appointment to CEO in 2012, the Committee determined that his employment should be continued on an at-will basis. On February 16, 2012, the Company and Mr. Walker entered into a Severance Agreement to combine and restructure certain severance benefits previously provided to him under the Officer Severance Plan and through his key employee change-of-control contract. Effective May 15, 2012, Mr. Walker was no longer eligible to receive benefits under the Officer Severance Plan and waived the severance benefits under his key employee change-of-control contract, thereby reducing the level of change-of-control severance benefits that he was formerly eligible to receive. The general provisions of the Severance Agreement are described in the tables below:

Severance Benefits Outside of a Change of Control

Prorated annual bonus based on actual performance for the year of termination

Two times the sum of his annual base salary and annual target bonus for the year of termination

Up to six months continued participation in the Company's medical and dental care plans at active employee rates and reimbursement for the cost of up to 18 additional months of COBRA continuation coverage

Table of Contents**Compensation Discussion and Analysis****Change-of-Control Severance Benefits**

Double-trigger provision (requiring both a change-of-control and a termination of employment)
Three-year protection period following Change of Control
2.5 times salary plus the higher of target bonus for the year of termination or the average bonus for the last two years
Up to three additional years of matching contributions into the Savings Restoration Plan
Up to three additional years of age and service credits under the Company's retirement and pension plans
Three years continuation of medical, dental, and life insurance benefits
Best-of-net tax provision (i.e., no tax gross-up by the Company)
Outplacement services up to a maximum of \$30,000
Subject to a confidentiality provision

The above description of Mr. Walker's Severance Agreement is not a full summary of all of the terms and conditions of the agreement and is qualified in its entirety by the full text of the agreement, which is on file with the SEC.

STOCK OWNERSHIP GUIDELINES

We have maintained stock ownership guidelines for executive officers since 1993 with the goal of promoting equity ownership and aligning our executive officers' interests with those of our stockholders. These guidelines must be met within three years after becoming subject to them. Currently, all of our executive officers either meet or exceed their specified guidelines. The ownership guidelines are currently established at the following minimum levels:

Position	Guideline	Ownership Status as of 12/31/2014
Chief Executive Officer	6 x base salary	Exceeds
Executive Vice Presidents	3 x base salary	Exceeds
Senior Vice Presidents	2.5 x base salary	Exceeds
Vice Presidents	2 x base salary	Exceeds(1)

(1) All of the vice presidents exceeded their ownership guidelines at December 31, 2014, with the exception of four officers appointed in 2013 and 2014, who are still within the three-year compliance period.

The Committee reviews the stock ownership levels annually. In determining stock ownership levels, we include shares of common stock held directly by the officer (including shares beneficially owned in a trust, by a limited liability company or partnership, and by a spouse and/or minor children, unless the non-management director or officer expressly disclaims beneficial ownership of such shares); shares of common stock held indirectly through the Anadarko Employee Savings Plan; deferred share balances resulting from an investment in the Company Stock Fund

as defined in the Anadarko Petroleum Corporation Deferred Compensation Plan provided such balance is payable in shares; and unvested restricted stock and restricted stock units. For those officers of Anadarko who are also officers of WES and/or WGP, any WES and/or WGP equity they own is also included in the calculation to determine their compliance. Outstanding performance units and unexercised stock options are not included. If an officer does not satisfy the stock ownership requirements, he or she must retain all shares acquired on the vesting of equity awards or the exercise of stock options (net of

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Compensation Discussion and Analysis

exercise costs and taxes) until compliance is achieved. Because of our robust ownership levels, other than as described above we do not maintain separate holding requirements for our equity awards.

CLAWBACK POLICY

All awards granted under Anadarko's 2012 Omnibus Plan are conditioned on repayment or forfeiture in accordance with applicable laws, Company policy, and any relevant provisions in the related award agreement. Each award agreement under the 2012 Omnibus Plan specifically provides that the awards are subject to forfeiture or repayment if the Company is required to prepare an accounting restatement due to material noncompliance of the Company with applicable rules as a result of misconduct. In addition, the 2012 Omnibus Plan provides that the Committee may specify in an award agreement or otherwise that a recipient's rights, payment, and benefits with respect to the award shall be reduced, cancelled, forfeited or recouped upon the occurrence of certain specified events, including termination of employment for cause, violations of material Company policies, or other conduct by the recipient that is detrimental to the business or reputation of the Company.

REGULATORY REQUIREMENTS

Together with the Committee, the Company carefully reviews and takes into account current tax, accounting and securities regulations as they relate to the design of our compensation programs and related decisions.

IRC Section 162(m) limits a company's ability to deduct compensation paid in excess of \$1 million during any fiscal year to each of certain NEOs, unless the compensation is performance-based as defined under federal tax laws. The Committee reviews and considers the deductibility of our executive compensation programs; however, the Committee believes it is important to provide compensation that is not fully deductible when necessary to retain and motivate certain executive officers and when it is in the best interest of the Company and our stockholders.

Awards of performance units, stock options, restricted shares and restricted stock units under our 2012 Omnibus Plan, 2008 Omnibus Plan and 1999 Stock Incentive Plan are accounted for under FASB ASC Topic 718.

The benefits payable under non-qualified plans for our executive officers and directors are unsecured obligations to pay. Assets to pay these benefits may be held under the Company's Benefits Trust, which is subject to the claims of the general creditors of the Company.

CONCLUSION

We believe our executive compensation program is designed to pay for performance. It aligns the interests of our executive officers with those of our stockholders and provides executive officers with the necessary motivation to maximize the long-term operational and financial performance of the Company, while using sound financial controls and high standards of integrity. We also believe that total compensation for each executive officer should be, and is, commensurate with the execution of specified short- and long-term operational, financial and strategic objectives. The programs currently offered have been effective in retaining executive officers during a period of strong competitive demand and a shortage of talented executives within the oil and gas exploration and production industry. We believe

that the quality of our executive compensation program will continue to be reflected in positive long-term operational and financial performance which will result in long-term stockholder value creation.

Table of Contents**Executive Compensation****SUMMARY COMPENSATION TABLE**

The following table summarizes the compensation for the fiscal years ended December 31, 2014, 2013, and 2012 for our CEO, our Chief Financial Officer (CFO) and our three highest paid executive officers other than our CEO and CFO:

Name and Principal Position	Year	Change in Pension Value and Non-qualified Deferred Compensation							Total
		Salary (\$)	Bonus (\$)	Stock Awards (\$)(1)	Option Awards (\$)(1)	Non-Equity Incentive Plan Compensation (\$)(2)	Non-qualified Deferred Compensation Earnings (\$)(3)	All Other Compensation (\$)(4)	
R. A. Walker(5) Chairman, President and Chief Executive Officer	2014	1,300,000	0	8,317,674	2,779,856	2,551,900	5,205,613	565,144	20,720,187
	2013	1,300,000	0	7,190,878	3,848,495	2,923,700	1,154,412	501,944	16,919,429
	2012	1,105,769	0	8,578,095	5,694,735	2,248,890	1,545,387	492,009	19,664,885
Robert G. Gwin Executive Vice President, Finance and Chief Financial Officer	2014	750,000	0	3,320,425	1,109,704	1,075,875	740,102	223,255	7,219,361
	2013	719,038	0	2,870,634	1,536,306	1,181,740		(6) 236,592	6,544,310
	2012	715,000	0	2,361,475	1,566,974	0	840,846	188,380	5,672,675
Charles A. Meloy Executive Vice President, US Onshore Exploration	2014	700,000	0	3,395,961	1,134,958	1,004,150	2,023,567	223,739	8,482,375
	2013	611,539	0	2,935,889	1,571,244	1,005,064		(6) 232,411	6,356,147
	2012	600,000	0	2,424,231	1,608,632	974,700	1,729,903	173,034	7,510,500

and Production									
Robert P. Daniels	2014	700,000	0	3,395,961	1,134,958	1,004,150	1,947,610	168,820	8,351,499
	2013	611,539	0	2,935,889	1,571,244	1,005,064		(6) 173,942	6,297,678
	2012	600,000	0	2,424,231	1,608,632	974,700	1,425,005	113,439	7,146,007
Executive Vice President, International and Deepwater Exploration									
Robert K. Reeves	2014	700,000	0	2,599,174	868,621	1,004,150	1,433,125	179,368	6,784,438
	2013	655,769	0	2,246,967	1,202,522	1,077,757		(6) 174,495	5,357,510
	2012	650,000	0	1,848,466	1,226,577	1,000,350	992,888	109,674	5,827,955
Executive Vice President, General Counsel and Chief Administrative Officer									

- (1) The amounts included in these columns represent the aggregate grant date fair value of the awards made to NEOs in 2014 computed in accordance with FASB ASC Topic 718, disregarding estimated forfeitures. The value ultimately realized by the NEOs upon the actual vesting of the award(s) or the exercise of the stock option(s) may or may not be equal to this determined value. For a discussion of valuation assumptions, see Note 15 Share-Based Compensation of the Notes to Consolidated Financial Statements included under Item 8 in our Annual Report on Form 10-K for the year ended December 31, 2014. The values in the Stock Awards column represent the grant date fair values for both restricted stock unit and performance unit awards. The performance unit awards are subject to market conditions and have been valued based on the probable outcome of the market conditions as of the grant date.
- (2) The amounts in this column reflect the incentive cash bonus awards for 2014 that were determined by the Compensation Committee and paid out in February 2015 pursuant to the Company's AIP. These awards are discussed in further detail beginning on page 42.
- (3) The amounts in this column reflect the annual aggregate change in the actuarial present value of each NEO's accumulated benefit, expressed as a lump sum, under the Company's pension plans described in more detail beginning on page 65. The numbers reported in this column are not a current cash payment but represent the year-over-year change in the value of the NEO's pension based on specified interest and discount rate

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assumptions for each year and include amounts that the NEO may not currently be entitled to receive because such amounts are not vested. The actual value of the pension will be determined at the time each NEO retires from the Company. The Company's Deferred Compensation Plan does not provide for above-market or preferential earnings so no such amounts are included.

Generally for 2014, decreases in both the discount rate and the lump sum interest rate assumptions used to determine the present value of pension benefits at year-end were the primary factors contributing to the increase in the values reported in this column. These rates could be higher or lower at the time of actual retirement. For Mr. Walker, the reported value is impacted to a greater extent by a higher level of average compensation reflecting an additional twelve months of pay at the CEO level than the prior year's calculation (Mr. Walker was promoted to CEO in May 2012). For 2014, the amount in this column for Mr. Walker represents a 65% increase in the present value of his pension benefits as shown in the Pension Benefits Table on page 69. The table below provides additional detail regarding the impact of the factors contributing to the 65% change in the pension value for Mr. Walker.

Factors	Percent Increase in Pension Value	Change in Present Value (\$)
Lower Discount Rate and Lump Sum Interest Rate	16%	1,303,821
Higher 36-Month Average Compensation	33%	2,641,486
Additional Year of Age	6%	481,076
Additional Year of Service	10%	779,230
Total Increase	65%	5,205,613

(4) The amounts shown in this column are described further in the All Other Compensation Table below.

(5) Mr. Walker was appointed CEO in May 2012 at which time his base salary was increased to \$1,300,000. He was appointed Chairman in May 2013 with no additional salary increase.

(6) Messrs. Gwin, Meloy, Daniels, and Reeves each had a negative change in pension value for 2013 as follows: Mr. Gwin \$(222,912); Mr. Meloy \$(334,010); Mr. Daniels \$(1,157,927); and Mr. Reeves \$(198,775).

All Other Compensation Table for 2014

The following table describes each component of the All Other Compensation column for the fiscal year ended December 31, 2014 in the Summary Compensation Table:

**Payments
by the
Company to
Employee
401(k)
Plan
and**

Name	Personal Use of Aircraft (\$)(1)	Savings Restoration Plan (\$)	Club Membership Dues (\$)(2)	Financial/ Tax/Estate Planning (\$)	Excess Liability Insurance (\$)	Other (\$)(3)	Totals (\$)
R. A. Walker(4)	253,027	253,422	38,388	2,764	1,675	15,868	565,144
Robert G. Gwin	53,668	115,904	37,173	14,835	1,675	0	223,255
Charles A. Meloy	0	170,506	32,062	14,835	1,675	4,661	223,739
Robert P. Daniels	38,885	102,304	11,121	14,835	1,675	0	168,820
Robert K. Reeves	57,366	106,665	8,508	4,370	1,675	784	179,368

(1) The amount reported above reflects the value of personal aircraft use for 2014. The value of personal aircraft use is based on the Company's aggregate incremental direct operating costs, including cost of fuel, maintenance, landing and ramp fees, and other miscellaneous trip-related variable costs. Because the

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Executive Compensation

Company's aircraft are used predominantly for business purposes, fixed costs, which do not change based on use of the aircraft, are excluded. The value of travel to board meetings for companies other than Anadarko or its affiliates and civic organizations for which the NEOs serve as directors is considered personal use and is included in the amount reported above. Compensation is imputed for personal use of our aircraft by the NEOs and their guests.

- (2) The amounts disclosed represent the payment of club membership fees. For those clubs not used exclusively for business, the entire amount has been included, although we believe that only a portion of this cost represents a perquisite.
- (3) The amounts disclosed represent reimbursements to the executive officer for the cost of an executive physical.
- (4) Mr. Walker has a personal usage limit with respect to the Company's aircraft, which is discussed in more detail on page 53.

GRANTS OF PLAN-BASED AWARDS IN 2014

The Grants of Plan-Based Awards Table sets forth information concerning annual incentive awards, performance units, stock options, and restricted stock units granted or modified during 2014 for each of the NEOs as described below.

Non-equity incentive plan awards. Values disclosed reflect the estimated cash payouts under the Company's AIP, as discussed on page 42, based on actual salaries earned in 2014. If threshold levels of performance are not met, the payout can be zero. If maximum levels of performance are achieved, the payout can be 200% of each NEO's target. The amounts actually paid to the NEOs for 2014 are disclosed in the Summary Compensation Table in the Non-Equity Incentive Plan Compensation column.

Equity incentive plan awards. Awards reported reflect performance units, as discussed beginning on page 46, which are denominated as an equivalent of one share of our stock and, if earned, are paid in cash. Executive officers may earn from 0% to 200% of the targeted award based on the Company's relative TSR performance against a specified peer group over a three-year performance period. The threshold value reported represents the lowest earned amount, other than zero, based on a defined payout scale. Executive officers do not have voting rights with respect to performance units, and unless after a change of control the award has been converted into restricted stock units of the surviving company, no dividend equivalents are paid on the awards.

Stock awards. Awards reported reflect restricted stock unit awards that vest pro-rata annually over three years, beginning with the first anniversary of the grant date. Dividend equivalents are reinvested in shares of the Company's common stock and paid upon the applicable vesting of the underlying award. Awards are eligible to be voluntarily deferred.

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Stock option awards. Stock options vest pro-rata annually over three years, beginning with the first anniversary of the date of grant and have a term of seven years. The exercise price is not less than the market price on the date of grant and repricing of stock options to a lower exercise price is prohibited, unless approved by stockholders.

Name	Grant Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards			Estimated Future Payouts Under Equity Incentive Plan Awards			All Other Awards: Exercise or		Grant Date	Fair Value of Stock Awards
		Threshold (\$)	Target (\$)	Maximum (\$)	Threshold (#)	Target (#)	Maximum (#)	Number of Shares of Stock or Underlying Securities (#)	Base Price of Option (\$/Sh)		
R. A. Walker		0	1,690,000	3,380,000							
	11/6/2014								118,005	93.51	2,779,856
	11/6/2014							29,514			2,759,854
	11/6/2014				22,242	55,606	111,212				5,557,820
Robert G. Gwin		0	712,500	1,425,000							
	11/6/2014								47,107	93.51	1,109,704
	11/6/2014							11,782			1,101,735
	11/6/2014				8,879	22,198	44,396				2,218,690
Charles A. Meloy		0	665,000	1,330,000							
	11/6/2014								48,179	93.51	1,134,958
	11/6/2014							12,050			1,126,796
	11/6/2014				9,081	22,703	45,406				2,269,165
Robert P. Daniels		0	665,000	1,330,000							
	11/6/2014								48,179	93.51	1,134,958
	11/6/2014							12,050			1,126,796
	11/6/2014				9,081	22,703	45,406				2,269,165
Robert K. Reeves		0	665,000	1,330,000							
	11/6/2014								36,873	93.51	868,621

11/6/2014				9,223	862,443
11/6/2014	6,950	17,376	34,752		1,736,731

- (1) Unless otherwise noted, the amounts in this column reflect the aggregate grant date fair value of awards made to NEOs in 2014 computed in accordance with FASB ASC Topic 718, disregarding estimated forfeitures. The value ultimately realized by each NEO upon the actual vesting of the award(s) or exercise of the stock option(s) may or may not be equal to this determined value. For a discussion of the valuation assumptions, see Note 15 Share-Based Compensation of the Notes to Consolidated Financial Statements included under Item 8 in our Annual Report on Form 10-K for the year ended December 31, 2014.

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The following table reflects outstanding stock option awards and unvested and unearned stock awards (both time-based and performance-contingent) as of December 31, 2014, assuming a market value of \$82.50 a share (the closing stock price of the Company's stock on December 31, 2014).

Name	Option Awards(1)				Stock Awards(2)(3)			
	Number of Securities				Restricted Stock/Units		Equity Incentive Plan Awards	
	Underlying	Unexercised	Options		Number of	Market Value	Performance Units	Market or
	Exercisable	Unexercisable	Exercise Price	Option Expiration Date	Shares or Units of Stock That Have Not Vested	of Shares or Units of Stock That Have Not Vested	Unearned Shares, Units or Other Rights That Have Not Vested	Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested
R. A. Walker								
					5,831	481,058	4,416	364,320
	72,700	0	65.44	11/10/2016	18,480	1,524,600	4,834	398,805
	85,189	0	63.34	11/9/2017	20,218	1,667,985	31,589	2,606,093
	87,076	0	83.95	11/8/2018	29,609	2,442,743	64,236	5,299,470
	35,007	17,504	66.38	5/15/2019			55,606	4,587,495
	113,067	56,533	70.70	11/5/2019				
	49,460	98,918	92.02	11/6/2020				
	0	118,005	93.51	11/6/2021				
Robert G. Gwin					6,587	543,428	2,648	218,460
					8,072	665,940	11,258	928,785
	78,600	0	35.18	11/4/2015	11,820	975,150	25,644	2,115,630
	66,200	0	34.95	3/1/2016			22,198	1,831,335
	47,200	0	65.44	11/10/2016				
	54,256	0	63.34	11/9/2017				
	52,196	0	83.95	11/8/2018				
	40,298	20,149	70.70	11/5/2019				
	19,744	39,488	92.02	11/6/2020				
	0	47,107	93.51	11/6/2021				

Charles A. Meloy							2,718	224,235
					6,762	557,865	11,558	953,535
32,500	0	65.44	11/10/2016	8,255	681,038	26,226	2,163,645	
48,586	0	63.34	11/9/2017	12,089	997,343	22,703	1,872,998	
53,585	0	83.95	11/8/2018					
41,369	20,685	70.70	11/5/2019					
20,193	40,386	92.02	11/6/2020					
0	48,179	93.51	11/6/2021					
Robert P. Daniels							2,718	224,235
65,400	0	35.18	11/4/2015	6,762	557,865	11,558	953,535	
32,500	0	65.44	11/10/2016	8,255	681,038	26,226	2,163,645	
48,586	0	63.34	11/9/2017	12,089	997,343	22,703	1,872,998	
53,585	0	83.95	11/8/2018					
41,369	20,685	70.70	11/5/2019					
20,193	40,386	92.02	11/6/2020					
0	48,179	93.51	11/6/2021					
Robert K. Reeves							2,073	171,023
115,300	0	35.18	11/4/2015	5,156	425,370	8,813	727,073	
36,700	0	65.44	11/10/2016	6,318	521,235	20,072	1,655,940	
42,469	0	63.34	11/9/2017	9,252	763,290	17,376	1,433,520	
40,856	0	83.95	11/8/2018					
31,544	15,772	70.70	11/5/2019					
15,455	30,908	92.02	11/6/2020					
0	36,873	93.51	11/6/2021					

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- (1) The table below shows the vesting dates for the respective unexercisable stock options listed in the above Outstanding Equity Awards Table:

Vesting Date	Mr. Walker	Mr. Gwin	Mr. Meloy	Mr. Daniels	Mr. Reeves
5/15/2015	17,504				
11/5/2015	56,533	20,149	20,685	20,685	15,772
11/6/2015	49,459	19,744	20,193	20,193	15,454
11/6/2015	39,335	15,703	16,060	16,060	12,291
11/6/2016	49,459	19,744	20,193	20,193	15,454
11/6/2016	39,335	15,702	16,059	16,059	12,291
11/6/2017	39,335	15,702	16,060	16,060	12,291

- (2) The table below shows the vesting dates for the respective restricted stock units, including any dividend equivalents accrued but unvested, listed in the above Outstanding Equity Awards Table:

Vesting Date	Mr. Walker	Mr. Gwin	Mr. Meloy	Mr. Daniels	Mr. Reeves
5/15/2015	5,831				
11/5/2015	18,480	6,587	6,762	6,762	5,156
11/6/2015	10,108	4,035	4,127	4,127	3,159
11/6/2015	9,869	3,940	4,030	4,030	3,084
11/6/2016	10,110	4,037	4,128	4,128	3,159
11/6/2016	9,870	3,940	4,029	4,029	3,084
11/6/2017	9,870	3,940	4,030	4,030	3,084

- (3) The table below shows the performance periods for the respective performance units listed in the above Outstanding Equity Awards Table. The number of outstanding units and the estimated payout percentages disclosed for each award are calculated based on our relative performance ranking as of December 31, 2014 and are not necessarily indicative of what the payout percent earned will be at the end of the specified performance period. For awards that were granted in 2014 with performance periods beginning in 2015, target payout has been assumed.

Performance Period	Performance to Date Payout	Mr. Walker	Mr. Gwin	Mr. Meloy	Mr. Daniels	Mr. Reeves
1/1/2012 to 12/31/2014	54%	4,416	2,648	2,718	2,718	2,073
5/15/2012 to 5/14/2015	92%	4,834				
1/1/2013 to 12/31/2014	92%	15,794	5,629	5,779	5,779	4,406
1/1/2013 to 12/31/2015	92%	15,795	5,629	5,779	5,779	4,407
1/1/2014 to 12/31/2015	146%	32,117	12,822	13,112	13,112	10,036
1/1/2014 to 12/31/2016	146%	32,119	12,822	13,114	13,114	10,036
1/1/2015 to 12/31/2017	100%	55,606	22,198	22,703	22,703	17,376

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The following table provides information about the aggregate dollar value realized during 2014 by the NEOs for Anadarko awards, including option exercises, vesting of restricted stock units and performance unit payouts.

Name	Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise(#)	Value Realized on Exercise\$(1)	Number of Shares Acquired on Vesting(2)	Value Realized on Vesting\$(1)
R. A. Walker	245,100	16,122,860	64,407	5,907,352
Robert G. Gwin	44,000	2,000,651	26,192	2,339,408
Charles A. Meloy	61,100	3,560,843	25,885	2,317,441
Robert P. Daniels	70,100	3,481,070	25,885	2,317,441
Robert K. Reeves	50,900	2,451,233	24,473	2,205,653

(1) The value realized reflects the taxable value to the NEO as of the date of the option exercise, vesting of restricted stock units, or payment of performance unit awards.

(2) The numbers disclosed include restricted stock units and performance unit awards paid in shares and cash, respectively, for which restrictions lapsed during 2014.

PENSION BENEFITS FOR 2014

The Company maintains the Anadarko Retirement Plan (the APC Retirement Plan) and the Kerr-McGee Corporation Retirement Plan (the KMG Retirement Plan), both of which are funded tax-qualified defined benefit pension plans. In addition, the Company maintains the Anadarko Retirement Restoration Plan, or the APC Retirement Restoration Plan, and the Kerr-McGee Benefits Restoration Plan, or the KMG Restoration Plan, both of which are unfunded, non-qualified pension benefit plans that are designed to provide for supplementary pension benefits due to limitations imposed by the IRC that restrict the amount of benefits payable under tax-qualified plans.

APC Retirement Plan and APC Retirement Restoration Plan

The APC Retirement Plan covers all U.S.-based Anadarko employees, except for legacy Kerr-McGee employees. The APC Retirement Restoration Plan covers certain U.S.-based Anadarko employees, except for legacy Kerr-McGee employees, who are affected by certain IRC limitations. For those employees hired prior to January 1, 2007, which includes all of the NEOs except Mr. Meloy (who is a participant in the KMG Retirement Plan), benefits under these

plans are based upon the employee's years of service and the average monthly earnings during the 36 highest paid consecutive months of the last 120 months of employment with the Company.

The APC Retirement Plan and the APC Retirement Restoration Plan (collectively, APC Retirement Plans) do not require contributions by employees. An employee becomes vested in his or her benefit at the completion of three years of service. Compensation covered by the APC Retirement Plans includes base salary and payments under the AIP. The maximum amount of compensation for 2014 that may be considered in calculating benefits under the APC Retirement Plan was \$260,000 due to the annual IRC limitation. Compensation in excess of \$260,000 was recognized in determining benefits payable under the APC Retirement Restoration Plan.

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For employees hired prior to January 1, 2007, benefits under the APC Retirement Plans are calculated as a life-only annuity (meaning that benefits end upon the participant's death) and are equal to the sum of the following:

1.4% x average compensation x years of service with the Company; plus

0.4% x (average compensation - covered compensation) x years of service with the Company (limited to 35 years).

Covered compensation is the average (without indexing) of the Social Security taxable wage base during the 35-year period ending with the last day of the year in which an individual reaches Social Security retirement age. Benefits are calculated based on a normal retirement age of 65; however, employees may receive a reduced early retirement benefit as early as age 55. Employees may choose to receive their benefits under several different forms provided under the APC Retirement Plan. Employees receive their benefits from the APC Retirement Restoration Plan in the form of a lump-sum payment.

As of December 31, 2014, Messrs. Walker, Daniels and Reeves were the only NEOs eligible for early retirement under the APC Retirement Plans. Early retirement benefits are calculated using the formula described above; however, the value is multiplied by an early retirement reduction factor as follows:

Age	Early Retirement Factor
62 and older	100%
61	97%
60	94%
59	91%
58	88%
57	85%
56	82%
55	79%

KMG Retirement Plan and KMG Restoration Plan

The KMG Retirement Plan covers all U.S.-based, legacy Kerr-McGee employees who have not incurred a break in service of greater than one year since the date Kerr-McGee was acquired by Anadarko. The KMG Restoration Plan covers certain legacy Kerr-McGee U.S.-based employees that are affected by the IRC limitations. Benefits under these plans are based upon the employee's years of service and the average monthly earnings during the 36 highest paid consecutive months of the last 120 months of employment.

The KMG Retirement Plan and the KMG Restoration Plan (collectively, KMG Retirement Plans) do not require contributions by employees. An employee becomes vested in his or her benefit at the completion of three years of

service. Compensation covered by the KMG Retirement Plans includes base salary and payments under the AIP. The maximum amount of compensation for 2014 that may be considered in calculating benefits under the KMG Retirement Plan was \$260,000 due to the annual IRC limitation. Compensation in excess of \$260,000 was recognized in determining benefits payable under the KMG Restoration Plan.

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Benefits under the KMG Retirement Plans are calculated as a life-only annuity for single participants, and a joint and 50% contingent annuity for married participants who are eligible for retirement. Benefits under this plan are equal to the sum of Part A and Part B:

Part A:

$1.1\% \times \text{average compensation} \times \text{years of service prior to March 1, 1999; plus}$

$0.5\% \times (\text{average compensation} - \text{covered compensation}) \times \text{years of service prior to March 1, 1999 (limited to 35 years)}.$

Part B:

$1.667\% \times \text{average compensation} \times \text{years of service on or after March 1, 1999 (limited to 30 years); plus}$

$0.75\% \times \text{average compensation} \times \text{years of service on or after March 1, 1999 in excess of 30 years; less}$

$1\% \times \text{primary Social Security benefit} \times \text{years of service on or after March 1, 1999 as of age 65 (limited to 30 years)} \times (\text{years of service on or after March 1, 1999 divided by years of service on or after March 1, 1999 at age 65}).$

Covered compensation is the average (without indexing) of the Social Security taxable wage base during the 35-year period ending with the last day of the year in which an individual reaches Social Security retirement age. Benefits are calculated based on a normal retirement age of 65; however, employees may receive a reduced early retirement benefit as early as age 52. Employees may choose to receive their benefits under several different forms provided under the KMG Retirement Plan. Employees receive their benefits from the KMG Restoration Plan in the form of a lump-sum payment.

Mr. Meloy is eligible for early retirement under the KMG Restoration Plan. Early retirement benefits under the KMG Retirement Plans are calculated using the formula described above, however, the value is multiplied by an early retirement reduction factor as follows:

First Formula	Second Formula
Percentage of Normal Retirement Age Benefit Payable	Percentage of Normal Retirement Age Benefit Payable

Age Benefit Payments Start	(Age Reductions for Benefits Earned Before March 1, 1999)		(Age Reductions for Benefits Earned On or After March 1, 1999)
	Part A	Part B	
62 and older	100%	100%	100%
61	100%	95%	100%
60	100%	90%	100%
59	95%	85%	95%
58	90%	80%	90%
57	85%	75%	85%
56	80%	67.5%	80%
55	75%	60%	75%
54	70%	55%	70%
53	65%	50%	65%
52	60%	45%	60%

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As of December 31, 2011, recognizing the high percentage of employees eligible to retire and based upon a recommendation from the Compensation Committee, the Board provided legacy participants in both the APC and KMG Retirement Plans a one-time option to either (1) continue to accrue benefits as outlined above (Option 1) or (2) accrue future benefits under the PWA using the same cash balance formula as employees hired on or after January 1, 2007 (Option 2). This one-time election was designed to increase employee retention by minimizing the impact of interest rate fluctuations on early retirement decisions and to accelerate the migration of employees into the PWA. For participants electing Option 2, the above formulae were modified such that:

Future accruals consist of pay credits (outlined in the table below, with points equal to the sum of age and years of service) and interest credits;

Consistent with the treatment of employees hired on or after January 1, 2007, Anadarko will make an additional contribution each year to the Employee Savings Plan (and/or the Savings Restoration Plan, to the extent required) of four percent of eligible compensation;

Service and average compensation used in determining benefits under the above final average pay formulae were frozen as of December 31, 2011;

If retirement eligible on or before December 31, 2012, the lump sum interest rate used in determining the lump sum value of pre-2012 accruals would be no greater than 3.18%; and

If not retirement eligible on or before December 31, 2012, the lump sum interest rate used in determining the lump sum value of pre-2012 accruals would be no greater than the rate in effect on the date the participant first becomes eligible for early retirement.

Messrs. Walker, Gwin, Daniels, and Reeves chose to continue receiving benefits under Option 1. Mr. Meloy chose to accrue benefits under the PWA beginning in 2012, according to Option 2. The current pay credits provided under the PWA are as follows:

Points	Pay Credit
80 or more	13%
70	11%
60	9%
50	7%
40	6%

Less than 40

5%

The present values provided in the table below are based on the pension benefits accrued through December 31, 2014, assuming that such benefit is paid in the same form as reflected in the accounting valuation. The benefits are assumed to commence at the specified plan's earliest unreduced retirement age, which is age 62 for those NEOs under the APC Retirement Plans and age 55 for Mr. Meloy under the KMG Retirement Plans pursuant to his 2006 Retention Agreement. All pre-retirement decrements such as pre-retirement mortality and terminations have been ignored for the purposes of these calculations. The interest rate used for discounting payments back to December 31, 2014, is 4.00% in the APC Retirement Restoration Plan and 4.25% in the APC Retirement Plan; and 4.00% in both the KMG Restoration Plan and the KMG Retirement Plan, consistent with the discount rates used in the accounting valuation. The long-term interest rate used for converting the benefit to a lump-sum form of payment is set at 100 basis points less than the discount rate, but not less than the most recently

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published 30-year Treasury rate. Lump sums for NEOs who have locked in or will lock in a known interest rate pursuant to Option 2 (PWA) choice are valued using such lock-in rate. The interest rates used for calculating the values below are 3.00% in the APC Retirement Restoration Plan and 3.25% in the APC Retirement Plan; and 3.00% in both the KMG Restoration Plan and the KMG Retirement Plan.

PENSION BENEFITS

Name	Plan Name	Number of Years of Credited Service (#)	Present Value of Accumulated Benefit (\$)	Payments During 2014 (\$)
R. A. Walker(1)	APC Retirement Plan	9.000	479,663	0
	APC Retirement Restoration Plan	17.000	12,783,787	0
Robert G. Gwin	APC Retirement Plan	9.000	366,167	0
	APC Retirement Restoration Plan	9.000	2,461,049	0
Charles A. Meloy(2)	KMG Retirement Plan	32.583	1,787,510	0
	KMG Restoration Plan	37.583	21,967,383	0
Robert P. Daniels	APC Retirement Plan	29.000	1,422,081	0
	APC Retirement Restoration Plan	29.000	8,369,453	0
Robert K. Reeves(1)	APC Retirement Plan	11.000	566,269	0
	APC Retirement Restoration Plan	16.000	5,342,189	0

(1) The value of Messrs. Walker's and Reeves's APC Retirement Restoration benefit in the table includes the effect of the additional pension service credits equal to eight and five years of credited service, respectively, provided in 2007 to recognize that they were mid-career hires that we would like to retain for the remainder of their careers. Providing them additional service credits recognized a portion of their prior industry and service years, which directly benefits us and our stockholders. Messrs. Walker and Reeves vested in these additional pension service credits on February 20, 2012 and December 12, 2012, respectively. Messrs. Walker's and Reeves's total pension values as of December 31, 2014, excluding these additional pension service credits are \$6,533,908 and \$3,488,957, respectively.

(2) The value of Mr. Meloy's KMG Retirement Restoration Plan benefit includes the effect of the additional pension service credits equal to five years of credit service provided under his 2006 Retention Agreement. Mr. Meloy

vested in these additional pension service credits on August 10, 2009. The additional pension service credit was included in the 2006 Retention Agreement to compensate him for certain severance benefits he was otherwise entitled to receive under the change-of-control agreement he had with Kerr-McGee. Mr. Meloy's total pension value as of December 31, 2014, excluding these additional pension service credits is \$14,474,691.

NON-QUALIFIED DEFERRED COMPENSATION FOR 2014

The Company maintains a Deferred Compensation Plan for certain employees, including the NEOs. Under this Plan, certain employees may voluntarily defer receipt of up to 75% of their salary and/or up to 100% of their AIP payments. The Company does not match these deferred amounts. In general, deferred amounts are distributed to the participant upon separation from service or at a specific date as elected by the participant. At the time deferral elections are made, participants also elect to receive their distributions in either lump-sum or annual installments not exceeding 15 years.

Due to IRC limitations that restrict the amount of benefits payable under the tax-qualified 401(k) Plan, the Company sponsors a non-qualified Savings Restoration Plan. The Savings Restoration Plan accrues a benefit equal to the excess, if any, of Company matching and PWA contributions that would have been allocated to a participant's 401(k) Plan account each year without regard to IRC limitations over amounts that were, in fact, allocated to a participant's account. After a participant reaches the IRC

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limitations under the 401(k) Plan, the Company makes contributions on their behalf up to the six-percent match on eligible compensation they would have otherwise been entitled to receive under the 401(k) Plan and, if applicable, an additional four percent of eligible compensation for PWA participants. Eligible compensation includes base salary and AIP bonus payments. In general, deferred amounts are distributed to the participant in lump-sum upon separation from service.

Both the Deferred Compensation Plan and the Savings Restoration Plan permit participants to allocate the deferred amounts among a group of notional accounts that mirror the gains and/or losses of various investment funds provided in the 401(k) Plan (but excluding the Company stock fund). These notional accounts do not provide for above-market or preferential earnings. Each participant directs investments of the individual accounts set up for the participant under the plans and may make changes in the investments as often as daily. Since each executive officer chooses the investment vehicle or vehicles (including a selection of funds ranging from fixed income to emerging markets, as well as other equity, debt and mixed investment strategies in between) and may change their allocations from time to time, the return on the investment will depend on how well each underlying investment fund performed during the time the executive officer chose it as an investment vehicle. The aggregate performance of such investment is reflected in the Aggregate Earnings/Losses in 2014 column.

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Executive officers were given the opportunity to make voluntary deferral elections for all of their annual restricted stock unit and performance unit awards granted under the Company's 1999 Stock Incentive Plan and the 2008 and 2012 Omnibus Plans. Any earnings and/or losses attributable to the deferred shares otherwise payable under these awards are based on the performance of the Company's stock over the deferral period. In general, deferred awards are distributed to the participant, in the form of Company common stock or cash, as designated by the Compensation Committee at the time of grant, upon termination or at a specific date as elected by the participant. The Company does not subsidize or match any deferrals of compensation into these plans.

Name	Executive Contributions in 2014 (\$)	Company Contributions in 2014 (\$)	Aggregate Earnings/(Losses) in 2014 (\$)	Aggregate Withdrawals / Distributions (\$)	Aggregate Balance at End of 2014 (\$)
R. A. Walker					
Deferred Compensation Plan	0	0	0	0	0
Savings Restoration Plan(1)	0	241,422	62,448	0	1,315,218
1999 Stock Incentive Plan	0	0	0	0	0
2008 Omnibus Plan	0	0	0	0	0
2012 Omnibus Plan	0	0	0	0	0
Robert G. Gwin					
Deferred Compensation Plan	0	0	0	0	0
Savings Restoration Plan(1)	0	108,981	54,178	0	867,313
1999 Stock Incentive Plan	0	0	0	0	0
2008 Omnibus Plan	0	0	0	0	0
2012 Omnibus Plan	0	0	0	0	0
Charles A. Meloy					
Deferred Compensation Plan	0	0	0	0	0
Savings Restoration Plan(1)	0	159,737	61,226	0	1,181,811
1999 Stock Incentive Plan	0	0	0	0	0
2008 Omnibus Plan	0	0	0	0	0
2012 Omnibus Plan	0	0	0	0	0
Robert P. Daniels					
Deferred Compensation Plan(2)	0	0	115,808	0	2,144,269
Savings Restoration Plan(1)	0	95,842	33,753	0	747,657
1999 Stock Incentive Plan	0	0	0	0	0
2008 Omnibus Plan	0	0	0	0	0
2012 Omnibus Plan	0	0	0	0	0
Robert K. Reeves					
Deferred Compensation Plan	0	0	0	0	0
Savings Restoration Plan(1)	0	100,204	39,633	0	879,165

1999 Stock Incentive Plan	0	0	0	0	0
2008 Omnibus Plan	0	0	0	0	0
2012 Omnibus Plan	0	0	0	0	0

- (1) Company contributions in the Savings Restoration Plan are reported in the Summary Compensation Table for each of the NEOs under the All Other Compensation column for the fiscal year 2014. The Savings Restoration Plan Aggregate Balance includes amounts reported in the All Other Compensation column of the Summary Compensation Table for 2014 as well as amounts previously reported in prior Summary Compensation Tables. The amounts currently or previously reported in the Summary Compensation Table for each NEO are as follows: Mr. Walker \$1,014,209; Mr. Gwin \$468,065; Mr. Meloy \$829,445; Mr. Daniels \$498,173; and Mr. Reeves \$487,611.
- (2) Mr. Daniels's balance in the Deferred Compensation Plan includes \$366,203 previously reported in prior Summary Compensation Tables.

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POTENTIAL PAYMENTS UPON TERMINATION OR CHANGE OF CONTROL

The following tables reflect potential payments to our NEOs under existing contracts, agreements, plans or arrangements, whether written or unwritten, for various scenarios involving a change of control or termination of employment of each NEO, assuming a termination date of December 31, 2014, and, where applicable, using the closing price of our common stock of \$82.50 (as reported on the NYSE as of December 31, 2014).

The following are general definitions that apply to the termination scenarios detailed below. These definitions have been summarized and are qualified in their entirety by the full text of the applicable plans or agreements to which our NEOs are parties.

Involuntary Termination is generally defined as any termination that does not result from the following termination events: resignation; retirement; for cause; death; qualifying disability; extended leave of absence; continued failure to perform duties or responsibilities; a termination in connection with any corporate sale transaction where continued employment is available; or a termination if the NEO is eligible to receive benefits from a Key Employee Change-of-Control Contract, or under an employment or severance agreement.

For Cause is generally defined as the following:

the willful and continued failure of the executive officer to perform substantially the executive officer's duties with the Company or one of its affiliates (other than any such failure resulting from incapacity due to physical or mental illness) or material breach of any material provision in an employment agreement (if applicable), after written demand for substantial performance is delivered to the executive officer by the Board or the CEO of the Company which specifically identifies the manner in which the Board or CEO believes that the executive officer has not substantially performed the executive officer's duties; or

the willful engaging by the executive officer in illegal conduct or gross misconduct which is materially and demonstrably injurious to the Company.

A Change of Control is generally defined as any one of the following occurrences:

any individual, entity or group acquires beneficial ownership of 20% or more of either the outstanding shares of our common stock or our combined voting power;

individuals who constitute the Board (as of the date of either a given change-of-control contract or an award agreement under our equity plans, as applicable) cease to constitute a majority of the Board, provided that an individual whose election or nomination as a director is approved by a vote of at least a majority of the

directors as of the date of either the change-of-control contract or an award agreement under our equity plans, as applicable, will be deemed a member of the incumbent Board;

a reorganization, merger or consolidation or sale or other disposition of all or substantially all of our assets or the acquisition of assets of another entity, unless following the business combination,

all or substantially all of the beneficial owners of our outstanding common stock prior to the business combination own more than 60% of the outstanding common stock of the corporation resulting from the business combination;

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no person, entity or group owns 20% or more of the outstanding voting securities of the corporation resulting from the business combination; and

at least a majority of the board of the corporation resulting from the business combination were members of our Board prior to the business combination; or

approval by our stockholders of our complete liquidation or dissolution.

Good Reason is generally defined as any one of the following occurrences within three years of a Change of Control:

diminution in the executive officer's position, authority, duties or responsibilities that were effective immediately prior to the Change of Control, excluding for this purpose an isolated, insubstantial and inadvertent action not taken in bad faith and which is remedied by the Company promptly after receipt of notice thereof given by the executive officer;

any failure by the Company to provide compensation to the executive officer at levels that were effective immediately prior to the Change of Control, excluding for this purpose an isolated, insubstantial and inadvertent action not taken in bad faith and which is remedied by the Company promptly after receipt of notice thereof given by the executive officer;

any material change in the location, as defined in the applicable agreement, where the executive officer was employed immediately preceding the Change of Control, or the Company requiring the executive officer to travel on Company business to a substantially greater extent than required immediately prior to the Change of Control;

any termination by the executive officer for any reason during the 30-day period immediately following the first anniversary of a Change of Control (such occurrence is not part of the good reason definition under Mr. Walker's Severance Agreement);

any purported termination by the Company of the executive officer's employment otherwise than as expressly permitted in their Change-of-Control, Employment or Severance Agreement; or

any failure by the Company to require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to assume the terms provided in the executive officer's Change-of-Control or Employment or Severance Agreement.

In February 2011, the Compensation Committee eliminated on a prospective basis the Good Reason provision allowing an executive officer to terminate for any reason during the 30-day period immediately following the first anniversary of a Change of Control for all key employee change-of-control contracts executed with any newly appointed and/or newly hired senior executive officers who are not otherwise subject to an existing agreement. Mr. Walker's Severance Agreement also excludes this modified single-trigger provision.

Disability is generally defined as the absence of the executive officer from his or her duties with the Company on a full-time basis for 180 business days as a result of incapacity due to mental or physical illness that is determined to be total and permanent by a physician selected by the Company or its insurers and acceptable to the executive officer or the executive officer's legal representative.

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Additional details of the post-termination arrangements can be found beginning on page 53.

Involuntary For Cause Termination

	Mr. Walker(\$)	Mr. Gwin(\$)	Mr. Meloy(\$)	Mr. Daniels(\$)	Mr. Reeves(\$)
Cash Severance	0	0	0	0	0
Total	0	0	0	0	0

Voluntary Termination (Including Retirement)

	Mr. Walker\$(1)	Mr. Gwin(\$)	Mr. Meloy\$(1)	Mr. Daniels\$(1)	Mr. Reeves\$(1)
Prorated Portion of Performance Unit Awards(2)	3,431,260	0	1,219,377	1,219,377	932,352
Total	3,431,260	0	1,219,377	1,219,377	932,352

(1) As of December 31, 2014, Messrs. Walker, Meloy, Daniels and Reeves were eligible for retirement.

(2) Under the terms of the performance unit agreements, retirement-eligible participants receive a prorated payout, paid after the end of the performance period, based on actual performance and the number of months worked during the performance period. Messrs. Walker s, Meloy s, Daniels s and Reeves s values reflect an estimated payout based on performance to date through December 31, 2014, which is not indicative of the payout they will receive at the end of the performance period based on actual performance.

Involuntary Not For Cause Termination

	Mr. Walker(\$)	Mr. Gwin(\$)	Mr. Meloy(\$)	Mr. Daniels(\$)	Mr. Reeves(\$)
Cash Severance(1)	5,980,000	2,212,500	2,065,000	2,065,000	2,065,000
Pro-rata AIP Bonus(2)	2,551,900	1,075,875	1,004,150	1,004,150	1,004,150
Accelerated Equity Compensation(3)	18,654,402	6,833,627	6,993,773	6,993,773	5,349,032
Retirement Restoration Plan Benefits(4)	0	0	1,350,368	0	0
Health and Welfare Benefits(5)	136,035	72,780	60,523	100,788	84,629
Total	27,322,337	10,194,782	11,473,814	10,163,711	8,502,811

- (1) Mr. Walker's value assumes two times the sum of his base salary in effect at the end of 2014 plus his target AIP bonus (with his target AIP calculated based on his salary in effect at the beginning of the year); all other NEO values assume two times base salary plus one times target AIP bonus, in each case calculated based on the NEO's base salary in effect at the end of 2014.
- (2) All payments, if provided, will be paid at the end of the performance period following the Compensation Committee's certification of corporate performance. All NEO values in the table are based on base salary earnings for the year and reflect the actual bonuses awarded under the Company's 2014 AIP as discussed on page 46.
- (3) Reflects the in-the-money value of unvested stock options, the estimated current value of unvested performance units (based on performance as of December 31, 2014) and the value of unvested restricted stock units, all as of December 31, 2014. In the event of an involuntary termination, unvested performance units would be paid after the end of the applicable performance periods based on actual performance.
- (4) Reflects the lump-sum present value of additional benefits related to the Company's supplemental pension benefits which are contingent upon the termination event. All values include special pension credits, provided through an employment agreement, retention agreement, the APC Retirement Restoration Plan or the KMG Restoration Plan, respectively. On a case-by-case basis, the Compensation Committee may approve a special retirement benefit enhancement that is equivalent to the additional supplemental pension benefits

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that would have accrued assuming they were eligible for subsidized early retirement benefits. Messrs. Walker, Meloy, Daniels and Reeves are not eligible for this supplemental benefit because they were eligible for early retirement as of December 31, 2014. If the Compensation Committee were to have approved this special benefit for the other NEOs, the incremental value as of December 31, 2014, to the Retirement Restoration Plan benefits disclosed above would have been \$1,146,508 for Mr. Gwin.

(5) Reflects the value of a total of 24 months of health and welfare benefit coverage. All amounts are present values determined in accordance with FASB ASC Topic 715.

Change of Control: Involuntary Termination or Voluntary Termination For Good Reason

	Mr. Walker(\$)	Mr. Gwin(\$)	Mr. Meloy(\$)	Mr. Daniels(\$)	Mr. Reeves(\$)
Cash Severance(1)	9,715,738	5,602,046	4,944,686	4,944,686	5,155,495
Pro-rata AIP Bonus(2)	2,551,900	1,181,740	1,005,064	1,005,064	1,077,757
Accelerated Equity Compensation(3)	18,654,402	6,833,627	6,993,773	6,993,773	5,349,032
Retirement Restoration Plan Benefits(4)	5,805,175	2,740,364	1,350,368	1,504,698	1,391,055
Nonqualified Deferred Compensation(5)	760,266	347,713	511,519	306,912	319,996
Health and Welfare Benefits(6)	230,027	109,346	90,327	151,611	127,022
Outplacement Assistance	30,000	30,000	30,000	30,000	30,000
Financial Counseling(7)	0	48,160	48,160	48,160	48,160
Excise Tax and Gross-Up(8)	N/A	0	0	0	0
Best-of-Net Tax Adjustment(9)	(6,519,724)	N/A	N/A	N/A	N/A
Total	31,227,784	16,892,996	14,973,897	14,984,904	13,498,517

(1) Mr. Walker's value assumes 2.5 times the sum of his base salary in effect at the end of 2014 plus the average of his two prior AIP bonus awards; all other NEO values assume 2.9 times the sum of base salary plus the highest AIP bonus paid in the past three years.

(2) Mr. Walker's value assumes payment of a pro-rata AIP bonus based on his target AIP bonus percentage in effect for the year of termination, his base salary in effect at the beginning of the year and the Company's actual performance under the Company's 2014 AIP; all other NEO values assume the full-year equivalent of the highest annual AIP bonus the officer received over the past three years.

(3)

Includes the in-the-money value of unvested stock options, the value of unvested restricted stock units and the estimated current value of unvested performance units, all as of December 31, 2014. Upon a Change of Control, the value of any outstanding performance units would be calculated based on the Company's TSR performance and the price of the Company's Common Stock at the time of the Change of Control and converted into restricted stock units of the surviving company. In the event of an involuntary not for cause or voluntary for good reason termination within two years following a Change of Control, the units will generally be paid on the first business day that is at least six months and one day following the separation from service. In the event of an involuntary not for cause or voluntary for good reason termination that is more than two years following a Change of Control, the units will be paid at the end of the performance period. For performance units payable based on actual performance, current values reflect performance to date estimates as of December 31, 2014.

- (4) Reflects the lump-sum present value of additional benefits related to the Company's supplemental pension benefits which are contingent upon the termination event. For Mr. Gwin, who as of December 31, 2014 was not retirement eligible, the values include a special retirement benefit enhancement that is equivalent to the additional supplemental pension benefits that would have accrued assuming the NEOs were eligible for subsidized early retirement benefits. All values include special pension credits, provided through an employment agreement, retention agreement, the APC Retirement Restoration Plan, the KMG Restoration Plan or a key employee change-of-control contract, respectively.

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- (5) Includes the value of an additional three years of employer contributions into the Savings Restoration Plan based on each officer's current contribution rate to the Plan.
- (6) Values represent 36 months of health and welfare benefit coverage. All amounts are present values determined in accordance with FASB ASC Topic 715.
- (7) Values reflect the cost of continuation of financial counseling services for three years after termination. Per the terms of Mr. Walker's Severance Agreement, he is not eligible for post-termination financial counseling benefits.
- (8) Values estimate the total payment required to make each executive officer whole for the 20% excise tax imposed by IRC Section 4999. Mr. Walker is no longer eligible for this excise tax gross-up benefit per the terms of his Severance Agreement.
- (9) Reflects the aggregate impact of the best-of-net tax adjustment as prescribed under Mr. Walker's Severance Agreement (as discussed on page 56).

Disability

	Mr. Walker(\$)	Mr. Gwin(\$)	Mr. Meloy(\$)	Mr. Daniels(\$)	Mr. Reeves(\$)
Cash Severance	0	0	0	0	0
Pro-rata AIP Bonus(1)	1,690,000	712,500	665,000	665,000	665,000
Accelerated Equity Compensation(2)	18,654,402	6,833,627	6,993,773	6,993,773	5,349,032
Health and Welfare Benefits(3)	526,642	297,299	248,672	229,779	216,201
Total	20,871,044	7,843,426	7,907,445	7,888,552	6,230,233

- (1) Represents payment of a pro-rata target AIP bonus based on target bonus percentages effective for the 2014 AIP and eligible earnings as of December 31, 2014.
- (2) Includes the in-the-money value of unvested stock options, the value of unvested restricted stock units and the estimated current value of unvested performance units, all as of December 31, 2014. Performance units would be paid after the end of the applicable performance period, based on actual performance. For performance units payable based on actual performance, current values reflect performance to date estimates as of December 31,

2014.

- (3) Reflects the cost of the continuation of additional death benefit coverage provided to executive officers of the Company until age 65. All amounts are present values determined in accordance with FASB ASC Topic 715.

Table of Contents**Executive Compensation****Death**

	Mr. Walker(\$)	Mr. Gwin(\$)	Mr. Meloy(\$)	Mr. Daniels(\$)	Mr. Reeves(\$)
Cash Severance	0	0	0	0	0
Pro-rata AIP Bonus(1)	1,690,000	712,500	665,000	665,000	665,000
Accelerated Equity Compensation(2)	17,132,701	6,207,458	6,353,538	6,353,538	4,858,910
Life Insurance Proceeds(3)	6,373,816	2,583,979	2,411,714	2,411,714	2,411,714
Total	25,196,517	9,503,937	9,430,252	9,430,252	7,935,624

- (1) Represents payment of a pro-rata target AIP bonus based on target bonus percentages effective for the 2014 AIP and eligible earnings as of December 31, 2014.
- (2) Includes the in-the-money value of unvested stock options, the target value of unvested performance units, and the value of unvested restricted stock units, all as of December 31, 2014.
- (3) Includes amounts payable under additional death benefits provided to executive officers and other key employees of the Company. These liabilities are not insured, but are self-funded by the Company. Proceeds are not exempt from federal taxes; values shown include an additional tax gross-up amount to equate benefits with nontaxable life insurance proceeds. Values exclude death benefit proceeds from programs available to all employees.
- In addition to the benefits outlined above for each termination scenario, each of the NEOs would be paid following termination for any reason, the following vested amounts under our nonqualified benefit programs, which have been previously earned but not paid:

	Mr. Walker(\$)	Mr. Gwin(\$)	Mr. Meloy(\$)	Mr. Daniels(\$)	Mr. Reeves(\$)
Retirement Restoration Plan Benefits(1)	14,256,761	2,007,121	21,300,898	9,821,610	6,097,026
Non-qualified Deferred Compensation(2)	1,315,218	867,313	1,181,811	2,891,926	879,165
Health and Welfare Benefits(3)	175,159	0	0	309,055	0
Total	15,747,138	2,874,434	22,482,709	13,022,591	6,976,191

- (1) Reflects the lump-sum present value of vested benefits related to the Company's supplemental pension benefits.
- (2) Reflects the combined vested balances in the non-qualified Savings Restoration Plan and Deferred Compensation Plan.
- (3) Mr. Walker's values represent the lump-sum value of vested subsidized retiree medical benefits. This benefit is coordinated with any additional continuation of health and welfare benefits. In the event of an involuntary not for cause termination, Mr. Walker's vested benefits would be reduced to \$121,308. In the event of an involuntary not for cause or voluntary for good reason termination following a change of control, Mr. Walker's vested benefits would be reduced to \$95,811. Values shown for Mr. Daniels reflect the value of his retiree death benefit in the MLIP. The MLIP provides for a retiree death benefit equal to one times final base salary. This retiree death benefit is only applicable to participants who were employed by the Company on June 30, 2003. Therefore, this benefit is only applicable to Mr. Daniels.

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Transactions with Related Persons

The Company recognizes that related-person transactions can present potential or actual conflicts of interest and it is the Company's preference that related-person transactions are avoided as a general matter. However, the Company also recognizes that there are situations, including certain transactions negotiated on an arm's length basis, where related-person transactions may be in, or may not be inconsistent with, the best interest of the Company and our stockholders. Therefore, the Company has written procedures for the approval, ratification and review of ongoing related-person transactions. Either the Board's Governance and Risk Committee or the full Board (as determined by the Governance and Risk Committee) will review, ratify or approve, as necessary, any related-person transactions prior to the transaction being entered into, or ratify any related-person transactions that have not been previously approved, in which a director, five-percent owner, executive officer or immediate family member of any such person has a material interest, and where the transaction is in an amount in excess of \$120,000, either individually or in the aggregate of several transactions during any calendar year. This review typically occurs in connection with regularly scheduled Board meetings.

In addition to those matters described above, the Governance and Risk Committee has approved in advance the following categories of related-person transactions: (i) the rates and terms involved in such transactions where the Company's standard rates and terms for such transactions apply; and (ii) the hiring of a related person (including immediate family members) as an employee of the Company (but not an officer), provided that total annual compensation (meaning base salary, annual incentive bonus and other amounts to be reported on a W-2) does not exceed \$120,000.

In 2011, the Company leased a mineral interest in Ward County, Texas owned by Mr. Geren. The Company paid Mr. Geren \$258,884 in royalty payments from January 1, 2014 through February 28, 2015, pursuant to a lease with standard industry terms. Mr. Geren retired from the Board on May 13, 2014.

Table of Contents**Independent Auditor****ITEM 2 RATIFICATION OF THE APPOINTMENT OF THE INDEPENDENT AUDITOR**

The Audit Committee has appointed KPMG LLP, an independent registered public accounting firm, to audit the Company's financial statements for 2015. The Board, at the request of the Audit Committee, is asking you to ratify that appointment.

THE BOARD RECOMMENDS THAT YOU VOTE FOR RATIFICATION OF THE APPOINTMENT OF KPMG LLP TO AUDIT THE COMPANY'S FINANCIAL STATEMENTS FOR 2015. If the stockholders do not ratify the appointment of KPMG LLP, the Audit Committee will make the final determination of the independent auditor for 2015.

KPMG LLP, an independent registered public accounting firm, served as the Company's independent auditor during 2014. Representatives of KPMG LLP will be present at the Annual Meeting to make a statement, if they desire to do so, and to respond to appropriate questions from stockholders.

The Audit Committee adopted a Pre-Approval Policy with respect to services which may be performed by KPMG LLP. This policy lists specific audit, audit-related, and tax services as well as any other services that KPMG LLP is authorized to perform and sets out specific dollar limits for each specific service, which may not be exceeded without additional Audit Committee authorization. The Audit Committee receives quarterly reports on the status of expenditures pursuant to that Pre-Approval Policy.

The Audit Committee reviews the policy at least annually in order to approve services and limits for the current year. Any service that is not clearly enumerated in the policy must receive specific pre-approval by the Audit Committee or by its Chairperson, to whom such authority has been conditionally delegated, prior to engagement. During 2014, no fees for services outside the scope of audit, review, or attestation that exceed the waiver provisions of 17 CFR 210.2-01(c)(7)(i)(C) were requested of or approved by the Audit Committee.

The following table presents fees for the audits of the Company's annual consolidated financial statements for 2014 and 2013 and for other services provided by KPMG LLP.

	2014	2013
Audit Fees	\$ 6,790,000	\$ 6,530,000
Audit-related Fees	1,088,000	1,219,000
Tax Fees	348,000	
All Other Fees		274,000
Total	\$ 8,226,000	\$ 8,023,000

Audit fees are primarily for the audit of the Company's consolidated financial statements included in the Form 10-K, including the audit of the effectiveness of the Company's internal control over financial reporting, and the reviews of

the Company's financial statements included in the Forms 10-Q. KPMG LLP also served as the independent auditor of WES and fees for the audit of WES's annual consolidated financial statements were \$1,227,000 for 2014 and \$1,031,000 for 2013, which are not included in the table above. In addition, KPMG LLP served as the independent auditor of WGP and fees for the audit of WGP's annual consolidated financial statements were \$300,000 for 2014 and 2013, which are not included in the table above.

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Independent Auditor

Audit-related fees are primarily for the audits of the Company's benefit plans, other audits, consents, comfort letters and certain financial accounting consultation. Audit-related fees related to WES were \$491,000 for 2014 and \$758,000 for 2013, which are not included in the table above. Audit-related fees related to WGP were \$150,000 for 2014 and \$75,000 for 2013, which are not included in the table above.

Tax fees are primarily for tax planning and compliance services. The Audit Committee has concluded that the provision of tax services is compatible with maintaining KPMG LLP's independence.

All other fees are primarily for consulting services. The Audit Committee has concluded that these services are compatible with maintaining KPMG LLP's independence.

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[Advisory Vote to Approve](#)

[Executive Compensation](#)

ITEM 3 ADVISORY VOTE TO APPROVE THE COMPANY'S NAMED EXECUTIVE OFFICER COMPENSATION

The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, along with section 14A of the Exchange Act enacted thereunder, enables our stockholders to vote to approve, on a non-binding advisory basis, the compensation of the Company's NEOs, as disclosed in this proxy statement pursuant to the SEC's compensation disclosure rules. The Board recognizes the importance of our stockholders' opportunity for an advisory say-on-pay vote as a means of expressing views regarding the compensation practices and programs for our NEOs. Based upon the outcome of our 2011 say-on-pay frequency vote, the Company will hold an annual advisory say-on-pay vote at our annual stockholder meeting until the next say-on-pay frequency vote, which, in accordance with applicable law, will occur no later than the Company's annual meeting of stockholders in 2017.

As described in detail under the heading Compensation Discussion and Analysis beginning on page 32, the Committee believes that the main objective of our executive compensation program is to pay for performance while aligning executives' interests with stockholder interests. We structure pay to support our business objectives with appropriate rewards for short-term operating results and long-term stockholder value creation. Accordingly, our compensation philosophy recognizes the value of rewarding our executive officers for their performance and motivating them to continue to excel in the future.

At the 2014 Annual Meeting of Stockholders, our executive compensation program received the support of approximately 62% of the votes cast. This result was below our previous support of more than 85% of votes cast even though the core objectives and design of our executive compensation program remained materially consistent. Following the 2014 Annual Meeting of Stockholders, the Committee carefully considered specific feedback expressed by stockholders during our outreach efforts and sought an appropriate balance in our executive compensation program to best serve the long-term interests of our stockholders while continuing to attract, motivate and retain the talent necessary to achieve the Company's long-term strategy. The Chairperson of the Committee also led in-person or telephonic meetings with several stockholders, including five of our top ten largest stockholders, which represented a diversity of perspectives on the Company's executive compensation program. Additionally, the Chairperson led engagement efforts with the major proxy advisory firms on the drivers of our business and how our executive officers' performance is measured against these drivers.

The incentive compensation earned and paid to our NEOs and the decisions made by the Committee in 2014, including changes made in consideration of stockholder feedback, reflect the pay-for-performance alignment of our compensation programs and adherence to our compensation philosophy. Specifically:

The Committee determined that the target total compensation opportunity for the NEOs should remain flat year-over-year as compared to 2013 and that no changes should be made to their base salaries, target bonus opportunities, and the target grant value of annual long-term incentive awards.

The amount of performance units included in the 2014 targeted equity award value was increased so that awards were allocated 50% in performance units (from 40% in 2013), 25% in non-qualified stock options (from 35% in 2013), and 25% in restricted stock units.

Table of Contents**Advisory Vote to Approve****Executive Compensation**

The two-year performance unit program was eliminated so that all performance unit awards granted in 2014 are subject to a three-year performance period. In addition, the payout opportunity for achievement of TSR performance at the 55th percentile was reduced from a payout of 110% to a payout of 100%. The payout opportunities for achievement of applicable TSR performance levels in the third quartile were also reduced by 12% and 14%.

Under our long-term incentive program, the relative TSR performance for the two- and three-year performance periods ended December 31, 2014, was below the median of our peers and our NEOs earned below-target payouts of 92% and 54% (out of a maximum 200%) of their performance units for the respective periods.

As a result of the Company's achievement of record-setting sales volumes and reserves growth, financial discipline through prudent capital spending and efficient cost management, and a continued commitment to the safety of our employees, a performance score of 151% was achieved under the AIP for 2014 for all employees, including the NEOs.

As described on page 37, our compensation program consists of several practices that we believe contribute to good governance. These practices include the following:

What We Do	What We Don't Do
Structure more than 85% Pay to Be At-Risk	No Employment Contracts
Emphasize Long-Term Performance	No Tax Gross-Ups on Perquisites
Maintain a Competitive Compensation Package	No Permitted Short Sales or Derivative Transactions in Company Stock
Require Robust Stock Ownership	No New Excise Tax Gross-Ups since 2011
Provide for Double-Trigger Equity Acceleration Upon a Change of Control	No Payment of Current Dividends or Dividend Equivalents on Unvested Awards (beginning with awards granted in 2012)
Provide for Clawback Provisions Applicable to Incentive Awards	No Repricing of Stock Options and Stock Appreciation Rights
Consider Deductibility When Structuring Compensation	No Hedging or Pledging of Company Stock

Please read the Compensation Discussion and Analysis beginning on page 32 for additional details about our executive compensation program, including information about the compensation of our NEOs during 2014.

The Board has determined that the Company's NEO compensation aligns with our business strategy, focuses on long-term value creation for our stockholders and delivers competitive pay relative to our performance.

THE BOARD RECOMMENDS THAT STOCKHOLDERS VOTE FOR THE APPROVAL, ON AN ADVISORY BASIS, OF THE COMPANY'S NAMED EXECUTIVE OFFICER COMPENSATION AS

DISCLOSED IN THIS PROXY STATEMENT PURSUANT TO THE COMPENSATION DISCLOSURE RULES OF THE SECURITIES AND EXCHANGE COMMISSION, WHICH DISCLOSURE SHALL INCLUDE THE COMPENSATION DISCUSSION AND ANALYSIS, THE SUMMARY COMPENSATION TABLE, AND THE RELATED TABLES AND DISCLOSURE IN THIS PROXY STATEMENT.

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Stockholder Proposals

ITEM 4 STOCKHOLDER PROPOSAL PROXY ACCESS

The New York City Employees Retirement System, the New York City Fire Department Pension Fund, the New York City Teachers Retirement System, the New York City Police Pension Fund, and the New York City Board of Education Retirement System, located at One Centre Street, Room 629, New York, NY 10007-2341, telephone (212) 669-2517, are the beneficial owners of more than \$2,000 worth of the Company's common stock, and have notified the Company that they intend to present the following resolution at the meeting for action by the stockholders.

What is the Proposal?

RESOLVED: Shareholders of Anadarko Petroleum Corporation (the Company) ask the board of directors (the Board) to adopt, and present for shareholder approval, a proxy access bylaw. Such a bylaw shall require the Company to include in proxy materials prepared for a shareholder meeting at which directors are to be elected the name, Disclosure and Statement (as defined herein) of any person nominated for election to the board by a shareholder or group (the Nominator) that meets the criteria established below. The Company shall allow shareholders to vote on such nominee on the Company's proxy card.

The number of shareholder-nominated candidates appearing in proxy materials shall not exceed one quarter of the directors then serving. This bylaw, which shall supplement existing rights under Company bylaws, should provide that a Nominator must:

- a) have beneficially owned 3% or more of the Company's outstanding common stock continuously for at least three years before submitting the nomination;
- b) give the Company, within the time period identified in its bylaws, written notice of the information required by the bylaws and any Securities and Exchange Commission rules about (i) the nominee, including consent to being named in the proxy materials and to serving as director if elected; and (ii) the Nominator, including proof it owns the required shares (the Disclosure); and
- c) certify that (i) it will assume liability stemming from any legal or regulatory violation arising out of the Nominator's communications with the Company shareholders, including the Disclosure and Statement; (ii) it will comply with all applicable laws and regulations if it uses soliciting material other than the Company's proxy materials; and (c) to the best of its knowledge, the required shares were acquired in the ordinary course of business and not to change or influence control at the Company.

The Nominator may submit with the Disclosure a statement not exceeding 500 words in support of the nominee (the Statement). The Board shall adopt procedures for promptly resolving disputes over whether notice of a nomination was timely, whether the Disclosure and Statement satisfy the bylaw and applicable federal regulations, and the priority to be given to multiple nominations exceeding the one-quarter limit.

SUPPORTING STATEMENT

We believe proxy access is a fundamental shareholder right that will make directors more accountable and contribute to increased shareholder value. The CFA Institute's 2014 assessment of pertinent academic studies and the use of proxy access in other markets similarly concluded that proxy access:

Would benefit both the markets and corporate boardrooms, with little cost or disruption.

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Stockholder Proposals

Has the potential to raise overall US market capitalization by up to \$140.3 billion if adopted market-wide.
(<http://www.cfapubs.org/doi/pdf/10.2469/ccb.v2014.n9.1>)

The proposed bylaw terms enjoy strong investor support – votes for similar shareholder proposals averaged 55% from 2012 through September 2014 – and similar bylaws have been adopted by companies of various sizes across industries, including Chesapeake Energy, Hewlett-Packard, Western Union and Verizon.

We urge shareholders to vote FOR this proposal.

What does the Board recommend?

**THE BOARD OF DIRECTORS RECOMMENDS A VOTE AGAINST THE ABOVE
STOCKHOLDER PROPOSAL FOR THE FOLLOWING REASONS:**

Anadarko values its relationships with its stockholders and is actively engaged in ongoing and constructive dialogue with its stockholders regarding various corporate governance and other matters, including proxy access. Under the appropriate circumstances, Anadarko fully supports the right of stockholders to nominate and elect directors to oversee the management of its corporate affairs. Stockholders with a long-term financial commitment to the Company are likely aligned with the Company's longer-term management philosophy, which the Board believes is beneficial to all stockholders. For the reasons discussed below, the Board has determined that the specific provisions of a proxy access framework that allows stockholders owning a minimum of 3% of the Company's outstanding shares for three years to nominate up to one quarter of the Board, as set forth in the proposal, is not in the best interest of the stockholders and is inconsistent with the Company's long-term management philosophy.

Minimum Ownership Threshold. If approved, the proposal would require the Company to include in its proxy materials director nominees submitted by stockholders owning a minimum of 3% of the Company's outstanding shares. The Board believes that such a proxy access framework could provide activist stockholders and special interest groups with a relatively low-cost avenue to disrupt board composition and corporate strategy. The Board is united by a common purpose to maximize long-term stockholder value, which requires corporate policies supporting that goal. Proxy access with such a low ownership threshold would allow a stockholder with a special interest to use the process to promote a specific agenda. These special interests may conflict with the Company's long-term interests and the best interests of stockholders.

Number of Directors to Be Elected. The proposal would require the Company to include shareholder-nominated candidates in the proxy materials representing up to one quarter of the directors then serving on the Board. The Board is concerned that, if approved, the proposal could cause significant disruptions in the operations of the Board and the Company and believes it is important to limit the number of directors that may be elected. The Board is concerned that the divisiveness that may result from regularly contested director elections could cause high annual turnover on the Board. Such turnover could produce an inexperienced Board that lacks the necessary knowledge and understanding of the Company's current and historical business to provide meaningful and effective oversight of the Company's

operations and long-term strategies. In addition, the prospect of routinely standing for election in a contested situation may deter highly qualified individuals from Board service.

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Stockholder Proposals

Ownership Holding Period. The proposal would require that stockholders hold at least the minimum ownership threshold for three years. The Board believes that proxy access should be structured in such a way that it requires a sustained commitment to the Company in terms of both a stockholder's ownership amount and duration in order to align with the Board's focus on managing the business for the long term. The Board believes that providing proxy access to stockholders with a holding period of only three years could result in a shorter-term focus at the board level that may not be in the best interest of all stockholders.

Moreover, the Company has continually engaged in dialogue with stockholders and listens to their views on corporate governance matters, including proxy access. The Company's corporate governance policies and practices already provide shareholders with the ability to effectively voice their opinions and concerns and ensure that the Board is accountable to stockholders. For example:

All directors are elected annually;

The Company's By-Laws provide for the election of directors by a majority vote of the stockholders and require that any director who fails to receive the requisite number of votes to offer to resign; and

Stockholders may:

propose director nominees for consideration by the Governance and Risk Committee;

Communicate with any director, Board committee or the full Board; and

Submit proposals for consideration at the Company's annual meeting and for inclusion in the proxy statement for that meeting, subject to certain conditions and the rules and regulations of the SEC.

The Board supports the right of stockholders to nominate and elect directors to oversee the management of the Company, but believes it is important as this issue evolves to ensure the Board has a full view of stockholder feedback regarding the appropriate framework for the Company before implementing proxy access. However, for the reasons set forth above, the Board believes that the specific proxy access framework set forth by the proponent, which allows stockholders owning a minimum of 3% of the Company's outstanding shares for three years to nominate up to one quarter of the Board, is not in the best interest of the stockholders and is inconsistent with the Company's long-term management philosophy.

THE BOARD RECOMMENDS THAT YOU VOTE AGAINST THIS STOCKHOLDER PROPOSAL.

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Stockholder Proposals

ITEM 5 STOCKHOLDER PROPOSAL PROVIDE A REPORT ON CARBON RISK

The Park Foundation Inc., located at P.O. Box 550, Ithaca, NY 14851, telephone (607) 272-9124, and the Connecticut Retirement Plans and Trust Funds, located at 55 Elm Street, Hartford, Connecticut 06106-1773, telephone (860) 702-3000, are each the beneficial owner of more than \$2,000 worth of the Company's common stock, and have notified the Company that they intend to present the following resolution at the meeting for action by the stockholders.

What is the Proposal?

WHEREAS:

Investors require information on how Anadarko Petroleum is preparing for the likelihood that demand for oil and gas may be significantly reduced due to regulation or other climate-associated drivers, increasing risk for stranding some portion of its reserves.

Recognizing the severe and pervasive risks associated with a warming climate, global governments have agreed that increases in global temperature should be held below 2 degrees Celsius. To achieve this goal, the International Energy Agency (IEA) states that No more than one-third of proven reserves of fossil fuels can be consumed prior to 2050. HSBC notes that the equity valuation of oil producers could drop by 40 to 60 percent under such a low carbon consumption scenario.

U.S. and China leaders recently signed an historic accord to limit greenhouse gas emissions; European leaders have committed to a 40 percent reduction by 2030.

In addition to the potential for global treaties, oil demand is being affected by technology innovations, falling renewable energy costs, consumer substitution, and policies related to air quality, fuel efficiency, and lower-carbon energy, cumulatively reducing demand for oil and gas.

A March 2013 Citi report states that market forces could put in a plateau for global oil demand by the end of this decade. The IEA and Deutsche Bank forecast global oil demand could peak in the next ten to fifteen years.

Industry production costs and risk are rising as companies invest in higher cost, higher carbon reserves. Kepler Cheuvreux declares a capex crisis, noting that, since 2005, annual upstream investment for oil has increased by 100 percent, while crude oil supply has increased by only three percent.

Given the likelihood of slowing demand and increasing costs, Anadarko's investments in high cost projects, including a range of deep water and ultra-deepwater projects, are increasingly at risk of stranding. Investors are concerned that Anadarko is not adequately accounting for these risks. Investors require additional information on whether and how the company is preparing for these changing market conditions.

RESOLVED:

Shareholders request Anadarko to prepare a scenario analysis report by September 2015, omitting proprietary information, on the Company's strategy to address the risk of stranded assets presented by global climate change and associated demand reductions for oil and gas, including analysis of long and short term financial and operational risks to the company.

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Stockholder Proposals

SUPPORTING STATEMENT:

We recommend the report:

Evaluate a range of low-carbon, low-demand scenarios, including a scenario in which two thirds of reserves cannot be monetized;

Provide an assessment of different capital allocation strategies for the low-demand scenarios including diversifying capital investment or returning capital to shareholders;

Provide information on carbon price and crude oil price assumptions used in each scenario.

What does the Board recommend?

THE BOARD OF DIRECTORS RECOMMENDS A VOTE AGAINST THE ABOVE

STOCKHOLDER PROPOSAL FOR THE FOLLOWING REASONS:

Anadarko continues to demonstrate its commitment to responsible environmental stewardship by continually evaluating and acting as an industry leader in implementing technologies to minimize the overall environmental impacts of its activities, including the reduction of greenhouse gas (GHG) emissions. In light of the Company's current reporting on environmental stewardship and steps the Company has taken to assess various potential risks associated with climate change, which are discussed below, as well as independent studies that continue to highlight the important role oil and natural gas are expected to continue to play for the next quarter-century or more in meeting the growing energy demands of our world, the Board believes that there is minimal risk to the Company arising from low carbon, low-demand scenarios and that the requested report would result in an unnecessary and unproductive use of the Company's time and resources.

In support of its commitment to responsible environmental stewardship, in 2003 Anadarko formed a GHG and Air-Quality Committee to organize, evaluate and take action to address emissions and other issues pertaining to air quality. The committee's charter can be found on the Company's website at http://www.anadarko.com/content/documents/apc/Responsibility/GHG_and_Air_Quality_Committee_Charter.pdf.

The committee, which reports annually to the Governance and Risk Committee of the Board, assists management with monitoring the science of climate change and the Company's measures to reduce GHG emissions, recommending assessment of various risks, and overseeing evaluation of GHG emission programs in an effort to maximize the commercial value of proactive GHG management.

Among the tasks that this Committee oversees is assessment of Anadarko's GHG emissions data. Evaluation of Anadarko's 2013 GHG emissions data as reported to the Environmental Protection Agency (EPA) found that our GHG emissions intensity is roughly half of that reported to EPA by all reporting entities. Our record of continuous environmental improvement is found not only in the data, but also in our actions that incorporate best practices into our operations, including:

Leak detection surveying and inefficient pipe replacement;

Plunger lift, flare, and natural gas recovery system installation to reduce vented CH₄;

Replacement of natural gas-fired pneumatic pumps with solar-powered pumps; and

Replacement of older and less efficient compressors.

Anadarko annually reports climate-related risks and opportunities to the Carbon Disclosure Project (CDP) and will continue to do so in 2015. As part of this disclosure, for each identified risk,

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Stockholder Proposals

Anadarko reports potential financial implications, methods for mitigation, and costs of mitigation. Anadarko's reports can be found on the Company's website at

<http://www.anadarko.com/Responsibility/Sustainable-Development/HSE/Greenhouse-Gas-Management/>. In its CDP reports, Anadarko has identified the potential for changing consumer behavior, particularly a decline in the demand for petroleum products, to represent an indirect financial risk to revenues from Anadarko's crude oil production.

Anadarko also identifies and evaluates risks associated with potential international and domestic regulation, including carbon taxes and cap and trade schemes that could limit GHG emissions. Anadarko currently considers these risks to have little to no impact to its operations and revenues based on its deep, balanced and diversified portfolio and the flexibility it affords. Specifically, Anadarko is among the largest producers of clean-burning natural gas in the U.S. Natural gas is a low-carbon alternative supported by state and federal administrations to reduce global greenhouse gas emissions, while providing reliable, efficient and affordable energy to consumers.

In President Obama's 2014 State of the Union Address, he stated that natural gas is a bridge fuel that can power our economy with less of the carbon pollution that causes climate change. He also stated that "My administration will keep working with the industry to sustain production and job growth while strengthening protection of our air, our water, and our communities." In the spirit of this statement, Anadarko supports and participates in ongoing GHG emission-mitigation research. For example, Anadarko partnered with the Environmental Defense Fund (EDF) and university research teams to conduct studies based on sound scientific principles to assess emissions, find and more accurately measure leaks and releases across the natural gas supply chain, and ultimately reduce them. In addition, Anadarko worked collaboratively with Colorado's Governor, the EDF and other industry peers on state regulations that utilize industry-leading practices and more formal processes for identifying, controlling and reducing methane leaks and other emissions.

Anadarko also follows energy commodity markets and demand projections very closely. Current Energy Information Agency (EIA) projections indicate that oil and natural gas production in the United States is expected to stay constant, at a minimum, through 2040. Similarly, the International Energy Agency's reference scenario estimates that by 2035, 75 percent of global energy demand will be met by fossil fuels. In the electricity sector in the U.S. as projected by the EIA, natural gas is expected to increase as a generation fuel, overtaking coal-fired generation by 2019 and accounting for up to 43 percent of the total electricity mix by 2040. The Company continually evaluates various commodities pricing scenarios in its risk assessment processes, given current and pending regulations, state and federal administrations, and commodities demand for all existing and new projects.

In light of the current political atmosphere, EIA projections, and our ongoing, leading practices to manage GHG emissions, Anadarko anticipates that natural gas demand may increase as consumer preferences shift away from more carbon-intensive fuels, particularly as end users seek greater energy security, recoil from volatile oil prices, and refining demand lowers. To implement the proposal, the Company would be required to engage in speculation on a variety of matters, including future possible restrictions on carbon emissions and the reaction and conduct of consumers in response to any such regulations. The assumptions resulting from such speculation could impact the practical value of any such report.

For these reasons, the Board believes that the risk to the Company arising from low carbon, low-demand scenarios is minimal and that the requested report would result in an unnecessary and unproductive use of the Company's time and

resources.

THE BOARD RECOMMENDS THAT YOU VOTE AGAINST THIS STOCKHOLDER PROPOSAL.

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BY ORDER OF THE BOARD OF DIRECTORS

Amanda M. McMillian
Vice President, Deputy General Counsel,

Corporate Secretary and Chief Compliance Officer

Dated: March 23, 2015

The Woodlands, Texas

See enclosed proxy card please vote promptly

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1201 LAKE ROBBINS DRIVE

THE WOODLANDS, TX 77380

WE ENCOURAGE YOU TO TAKE ADVANTAGE OF INTERNET OR TELEPHONE VOTING.

BOTH ARE AVAILABLE 24 HOURS A DAY, 7 DAYS A WEEK

VOTE BY INTERNET - www.proxyvote.com or scan the QR Barcode above

Use the Internet to transmit your voting instructions and for electronic delivery of information up until 11:59 p.m. Eastern Daylight Time the day before the cut-off date or meeting date. Have your proxy card in hand when you access the website and follow the instructions to obtain your records and to create an electronic voting instruction form.

ELECTRONIC DELIVERY OF FUTURE PROXY MATERIALS

If you would like to reduce the costs incurred by Anadarko Petroleum Corporation in mailing proxy materials, you can consent to receiving all future proxy statements, proxy cards and annual reports electronically via e-mail or the Internet. To sign up for electronic delivery, please follow the instructions above to vote using the Internet and, when prompted, indicate that you agree to receive or access proxy materials electronically in future years.

VOTE BY PHONE - 1-800-690-6903

Use any touch-tone telephone to transmit your voting instructions up until 11:59 p.m. Eastern Daylight Time the day before the cut-off date or meeting date. Have your proxy card in hand when you call and then follow the instructions.

VOTE BY MAIL

Mark, sign and date your proxy card and return it in the postage-paid envelope we have provided or return it to Anadarko Petroleum Corporation, c/o Broadridge, 51 Mercedes Way, Edgewood, NY 11717.

TO VOTE, MARK BLOCKS BELOW IN BLUE OR BLACK INK AS FOLLOWS:

M82812-P62032

**KEEP THIS PORTION FOR YOUR RECORDS
DETACH AND RETURN THIS PORTION ONLY**

THIS PROXY CARD IS VALID ONLY WHEN SIGNED AND DATED.

ANADARKO PETROLEUM CORPORATION

**THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR
ITEMS 1, 2 AND 3.**

Vote on Directors

1. Election of Directors

Nominees:	For	Against	Abstain
1a. Anthony R. Chase
1b. Kevin P. Chilton
1c. H. Paulett Eberhart
1d. Peter J. Fluor
1e. Richard L. George
1f. Joseph W. Gorder
1g. John R. Gordon
1h. Mark C. McKinley
1i. Eric D. Mullins
1j. R. A. Walker

For address changes and/or comments, please check this box and write them on the back where indicated.

Please sign exactly as your name(s) appear(s) hereon. When signing as attorney, executor, administrator, or other fiduciary, please give full title as such. Joint owners should each sign personally. All holders must sign. If a corporation or partnership, please sign in full corporate or partnership name by authorized officer.

Vote on Proposals

	For	Against	Abstain
2. Ratification of Appointment of KPMG LLP as Independent Auditor.
3. Advisory Vote to Approve Named Executive Officer Compensation.

**THE BOARD OF DIRECTORS RECOMMENDS A VOTE AGAINST ITEMS 4
AND 5.**

4. Stockholder Proposal - Proxy Access.
5. Stockholder Proposal - Report on Carbon Risk.

The shares represented by this proxy, when properly executed, will be voted in the manner directed herein by the undersigned stockholder(s). **If no direction is made, this proxy will be voted FOR Items 1, 2 and 3, and AGAINST Items 4 and 5.** If any other matters come properly before the meeting, or if cumulative voting is required, the person named in this proxy will vote in their discretion.

Each signatory to this proxy acknowledges receipt from Anadarko Petroleum Corporation, prior to execution of this proxy, of a notice of Annual Meeting of Stockholders and a proxy statement dated March 23, 2015.

Signature [PLEASE SIGN WITHIN BOX] Date

Signature (Joint Owners) Date

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Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting:

The Notice and Proxy Statement and 10-K/Annual Report are available at:

<https://materials.proxyvote.com/032511>

ê FOLD AND DETACH HERE ê

M82813-P62032

ANADARKO PETROLEUM CORPORATION

THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS

ANNUAL MEETING OF STOCKHOLDERS

May 12, 2015

The undersigned hereby appoint(s) R. A. Walker, Robert G. Gwin and Robert K. Reeves, and each of them, as proxies, each with the power to appoint his substitute, and hereby authorizes them to represent and vote, as designated on the reverse side of this proxy, all of the shares of Common Stock of Anadarko Petroleum Corporation that the undersigned is entitled to vote at the Annual Meeting of Stockholders to be held at 8:00 a.m., Central Daylight Time, on May 12, 2015, at The Woodlands Waterway Marriott Hotel and Convention Center, 1601 Lake Robbins Drive, The Woodlands, Texas 77380 and any adjournment or postponement thereof.

THIS PROXY, WHEN PROPERLY EXECUTED, WILL BE VOTED AS DIRECTED BY THE UNDERSIGNED. IF NO SUCH DIRECTIONS ARE MADE, THIS PROXY WILL BE VOTED FOR THE ELECTION OF THE NOMINEES LISTED ON THE REVERSE SIDE FOR THE BOARD OF DIRECTORS AND AS RECOMMENDED BY THE BOARD OF DIRECTORS FOR EACH PROPOSAL.

PLEASE MARK, SIGN, DATE AND RETURN THE PROXY CARD PROMPTLY USING THE ENCLOSED REPLY ENVELOPE.

Address Changes/Comments:

(If you noted any Address Changes/Comments above, please mark the corresponding box on the reverse side.)

(CONTINUED AND TO BE SIGNED ON THE REVERSE SIDE)