

Moderator: Stephen Bozeman, Principal, Barclays Global Investors

Panelists:

-Sharon Parkes, Director of Trust Investments, Halliburton Co.

-John McGrath, Treasurer, SAP America

-Navneet Govil, Controller, Mocolectronics Group, Sun Microsystems, Inc

Retirement and Benefits

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Retirement and Benefits

Separation of KBR / Halliburton Retirement Plans

Sharon Parkes
Director—Trust Investments

HALLIBURTON

Summary

- **Halliburton's board of directors determined that a separation of KBR from Halliburton would be in the best interest of Halliburton's stockholders.**

- **Separation required a split of worldwide retirement plan assets**
 - \$8 billion managed among 16 retirement plans
 - Defined Benefit ("DB")
 - Defined Contribution ("DC")

- **Challenges to separation**
 - Assets commingled in separately managed accounts
 - Daily valuation of DC plans
 - No freezing of participant accounts during separation

Strategy and Results

- **Laying the groundwork**

- Halliburton divided the plans on the custodian's books
- Split took place in three stages:
 - Investment options
 - Equity accounts
 - Fixed income accounts

- **Communicating the changes**

- Employee concerns were addressed promptly
- Process transparent to participants

- **Benefits**

- Little impact to equity and fixed income markets
- Minimized commissions
- Continuous daily valuation
- No freeze to participant accounts