CONOCOPHILLIPS
Form DEF 14A
April 02, 2018
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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

ConocoPhillips

(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)(1) and 0-11.
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Letter to Stockholders

April 2, 2018

DEAR FELLOW STOCKHOLDERS,

I invite you to join the ConocoPhillips Board of Directors, executives, employees and your fellow stockholders at our 2018 Annual Meeting of Stockholders (the "Annual Meeting"). The meeting will take place at the Omni Houston Hotel at Westside, 13210 Katy Freeway, Houston, Texas 77079, on Tuesday, May 15, 2018, at 9:00 a.m. CDT. The attached Notice of 2018 Annual Meeting of Stockholders and Proxy Statement provide information about the business we plan to conduct.

2017 was a transformational year for ConocoPhillips

We announced an updated value proposition in late 2016 focused on creating value through commodity price cycles with a disciplined, returns-focused strategy. The value proposition was supported by five strategic cash flow allocation priorities that we expect will deliver superior returns to stockholders. We believe our strategic priorities, and our ability to deliver them through cycles, are distinctive and differential among exploration and production ("E&P") companies. These strategic priorities are:

- >Invest enough capital to sustain production and pay existing dividend.
- >Grow dividend annually.
- >Reduce debt and target 'A' credit rating.
- >Pay out 20 to 30 percent of cash from operations to stockholders annually.
- >Disciplined investment to expand cash from operations.

When we introduced our value proposition in 2016, we faced two challenges: executing the steps necessary to activate and deliver on these priorities, and convincing the market to be receptive to an E&P company with a disciplined, returns-focused strategy. During 2017, we successfully addressed both challenges; we had an exceptional year strategically and operationally. We took several transformational steps to deliver on our strategic priorities, including:

- >Reducing our exposure to North American natural gas and oil sands assets through dispositions that generated approximately $16 billion.
- >Generating cash flow from operations that exceeded our capital spending by $2.5 billion.
- >Reducing our debt by almost 30 percent to $19.7 billion and improving our credit rating.
- >Returning 61 percent of our cash flow from operations to stockholders through dividends and buybacks.
- >Strengthening our ability to deliver improved cash and financial returns even at lower crude prices.

These actions, in combination with many others we took to strengthen ConocoPhillips during the oil price downturn that began in 2014, make us more resilient to lower prices, while also enabling investors to benefit from higher prices. We believe we are a stronger company today – with oil prices in the $50's and $60's per barrel – than we were when oil was above $100 per barrel. We believe we are uniquely positioned to deliver superior returns to stockholders through price cycles.

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I am also pleased to report that the reception from the market to our value proposition has been positive. We undertook extensive engagement efforts with investors in 2017 and received consistent support for our disciplined, returns-focused strategy. Total shareholder return since we announced the renewed value proposition in November 2016 through the end of 2017 was 20.3 percent, exceeding the independent performance peers and the total performance peer average, and competitive with the S&P 500 total return at 23 percent for the same time period. As we enter 2018, we remain committed to our value proposition and have already taken actions to further advance our strategic priorities. In January we paid down an additional $2.25 billion of debt and in February we announced a 7.5 percent increase in our quarterly dividend and a 33 percent increase in our planned 2018 share buybacks. We took these actions while maintaining discipline on our low cost of supply investment plan.

Our Board of Directors works collaboratively with management to establish ConocoPhillips' value proposition and strategic priorities. Company strategy is discussed regularly at Board meetings and our directors participate in an intensive strategy session annually with management. Our directors are actively engaged in discussions about ConocoPhillips' strategy and provide valuable oversight and guidance.

We approach Board succession planning with the same rigor that we apply to our business strategy

The Committee on Directors' Affairs regularly evaluates the size and composition of the Board and continually assesses whether the composition appropriately relates to ConocoPhillips' strategic needs, which change as our business environment evolves. This ongoing evaluation includes incumbent directors. The Board is focused on identifying candidates and retaining those directors who collectively reflect the mix of skills, experience, knowledge and independence that will best position the Board for effective decision-making and risk oversight. As a result, the Board balances interests in continuity with the need for fresh perspectives and diversity that board refreshment and director succession planning can bring. Our Board is highly diverse in terms of experience, capability, nationality, ethnicity, gender and age.

The Board's focus on composition and succession planning has led to the addition of seven outstanding new directors since ConocoPhillips emerged as an independent E&P company in 2012: Charles E. Bunch, C. Maury Devine, John V. Faraci, Jody Freeman, Gay Huey Evans, Sharmila Mulligan and Arjun N. Murti.

Two of our long-serving directors, Richard. L. Armitage and Richard H. Auchinleck, will retire from the Board effective as of the Annual Meeting. We are grateful for their many years of exemplary service and the valuable contributions they have each made to ConocoPhillips.

Sadly, James E. Copeland, Jr., our colleague and former Board member who retired in 2017, recently passed away. Jim was an exceptional individual who helped oversee ConocoPhillips through times of critical transformation. He made significant and lasting contributions and will be greatly missed by us all.

Your continued input is valued, and your vote is important

We strongly believe that regular engagement with all of our stakeholders – including stockholders, employees, customers, suppliers, advocacy groups, governments and communities – is critical to our long-term success. Our engagement activities have provided us with valuable feedback that informs our decisions and our strategy. For more information, please see "*Board Responsiveness to Our Stockholders*" on page 11. The Annual Meeting is another opportunity for stockholders to express views on matters relating to ConocoPhillips' business, and we hope to see you there.

Even if you plan to attend in person, I encourage you to vote in advance. Your vote is very important to us and to our business. Prior to the meeting, you may sign and return your proxy card, use telephone or Internet voting, or visit the Annual Meeting website at *www.conocophillips.com/annualmeeting* to register your vote. Instructions on how to vote begin on page 105.

Thank you for your continued support.

Ryan M. Lance
Chairman and Chief Executive Officer

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DATE
Tuesday, May 15, 2018

TIME
9:00 a.m. (CDT)

LOCATION
The Omni Houston Hotel
at Westside in Houston, Texas

RECORD DATE
March 19, 2018

PROPOSALS REQUIRING YOUR VOTE

Purpose	Board Recommendation	Page
1. **Election of 10 Directors**	**FOR** each nominee	30
2. **Ratification of Independent Registered Public Accounting Firm**	**FOR**	41
3. **Advisory Approval of the Compensation of our Named Executive Officers**	**FOR**	43
4. **Stockholder Proposal**	**AGAINST**	100

PARTICIPATE IN THE FUTURE OF CONOCOPHILLIPS—VOTE NOW

ONLINE
Use your smartphone or computer. *www.proxyvote.com*

PHONE CALL
Dial (800) 690-6903 toll-free 24/7.

MAIL
Cast your ballot, sign your proxy card and send by mail in the enclosed postage-paid envelope.

IN PERSON
You may attend the Annual Meeting and vote in person.

Only stockholders of record at the close of business on March 19, 2018, will be entitled to receive notice of and to vote at the Annual Meeting. A list of stockholders entitled to vote at the meeting will be available for inspection by any stockholder at our offices in Houston, Texas during ordinary business hours for a period of 10 days prior to the meeting.

Visit our Annual Meeting website at *www.conocophillips.com/annualmeeting* to watch a video message from Ryan Lance, our Chairman and CEO, review and download this Proxy Statement and our most recent Annual Report, submit questions in advance of the Annual Meeting, and sign up for electronic delivery of materials for future annual meetings.

April 2, 2018

Your vote is very important to us and to our business. Even if you plan to attend the Annual Meeting, please vote right away. For more information on voting, please see "*Available Information, Questions and Answers About the Annual Meeting and Voting*" on page 104.
By Order of the Board of Directors

Janet Langford Carrig
Corporate Secretary

Important Notice Regarding the Availability of Proxy Materials for the 2018 Annual Meeting of Stockholders to be Held on May 15, 2018: This Proxy Statement and our 2017 Annual Report are available at ***www.conocophillips.com/annualmeeting***.

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This summary highlights information contained elsewhere in this Proxy Statement. This summary does not contain all of the information that you should consider, and you should read the entire Proxy Statement carefully before voting. For more complete information regarding ConocoPhillips' 2017 performance, please review our Annual Report on Form 10-K for the year ended December 31, 2017.

About ConocoPhillips

COMPANY OVERVIEW

ConocoPhillips is the world's largest independent exploration and production company based on proved reserves and production of liquids and natural gas. As of December 31, 2017, ConocoPhillips had global operations and activities in 17 countries, $73 billion of total assets, and approximately 11,400 employees. Production excluding Libya averaged 1,356 MBOED in 2017, and proved reserves were 5.0 billion BOE as of December 31, 2017. Our key focus areas include safely operating producing assets, executing major developments, and exploring for new resources in promising areas. Our portfolio includes resource-rich North American tight oil and oil sands assets; lower-risk conventional assets in North America, Europe, Asia and Australia; several liquefied natural gas developments; and an inventory of global conventional and unconventional exploration prospects.

CONOCOPHILLIPS IS THE WORLD'S LARGEST INDEPENDENT EXPLORATION AND PRODUCTION COMPANY BASED ON PROVED RESERVES AND PRODUCTION OF LIQUIDS AND NATURAL GAS

* Production excludes Libya.
MBOED - Thousand barrels of oil equivalent per day

BOE - Barrels of oil equivalent

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2017 STRATEGIC TRANSFORMATION AND EXECUTION

When ConocoPhillips emerged as an independent E&P company in 2012, we set out to deliver a unique, returns-based value proposition through a combination of production and margin growth, with a compelling dividend. These objectives were established based on annual capital expenditures of about $16 billion and relatively high, stable oil prices. We delivered on our commitments to stockholders and met or exceeded our strategic objectives through 2014. However, oil and gas prices began a precipitous decline in late 2014 that continued through 2016, with some rebound in 2017. During the period from 2015 to 2017 we took several transformational actions to position ConocoPhillips for more cyclical and volatile commodity prices. These actions were designed to improve our resilience to lower prices, while still providing investors upside from higher prices.

BRENT PRICE ($/BBL)

The significant actions we took included:

Reduced capex from $17.1B in 2014 to $4.6B in 2017

Reduced adjusted operating costs* from $9.7B in 2014 to $5.9B in 2017

Exited high-cost, low-margin businesses, such as deepwater exploration

Sold >$30B of assets since 2012; ~$16B in 2017

Paid down $7.6B of debt in 2017, reducing year-end debt to $19.7B

Reduced ordinary dividend by 66% in Q1 2016 to a sustainable, through-cycle level; increased dividend by 6% in Q1 2017

Initiated a share buyback program with a $6B authorization; completed $3B through 2017

* Adjusted operating costs is a non-GAAP financial measure. A reconciliation to U.S. GAAP and a discussion of the usefulness and purpose of adjusted operating costs is shown on Appendix A and at *www.conocophillips.com/nongaap.*

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We announced an updated value proposition in late 2016 focused on creating value through commodity price cycles with a disciplined, returns-focused strategy. In late 2017, we reaffirmed our value proposition to the market. Our value proposition is underpinned by five strategic cash flow allocation priorities that we expect will deliver our goal of **superior returns to stockholders through price cycles**. We believe the following strategic priorities, and our ability to deliver them through cycles, are distinctive and differential among E&P companies.

1	2	3	4	5
Invest enough capital to sustain production and pay existing dividend;	**Grow dividend annually;**	**Reduce debt and target 'A' credit rating;**	**Pay out 20 to 30 percent of cash from operations to stockholders annually; and**	**Disciplined investment to expand cash from operations.**

Stockholders have responded positively to the updated strategy. Total shareholder return ("TSR") since we announced the renewed value proposition in November 2016 at our 2016 Analyst & Investor Meeting ("AIM") through the end of 2017 was 20.3 percent, exceeding the independent performance peers and the total performance peer average. This TSR was also competitive with the S&P 500 total return of 23 percent for the same time period.

TOTAL SHAREHOLDER RETURN*: 2016 AIM THROUGH YEAR-END 2017

* TSR in this chart is calculated using the closing prices on November 9, 2016 (the day before the 2016 AIM) and the closing prices on December 29, 2017, and assumes common stock dividends paid during the stated period are reinvested.

As we enter 2018, we remain committed to our value proposition and have already taken actions to further advance our strategic priorities. In January we paid down an additional $2.25 billion of debt. In February we announced a 7.5 percent increase in our quarterly dividend and a 33 percent increase in our planned 2018 share buybacks. We took these actions while maintaining discipline on our low cost of supply investment plan.

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Director Nominees

The Board recommends a vote FOR each of the 10 nominees listed below.

All of the nominees are currently serving as directors. All directors, other than the CEO, are independent.

Nominees	Principal Occupation	Age	Director Since	EC	AFC	HRCC	DAC	PPC
Charles E. Bunch	Former Chairman and CEO of PPG Industries, Inc.	68	2014					
Caroline Maury Devine	Former President and Managing Director of a Norwegian affiliate of ExxonMobil	67	2017					
John V. Faraci	Former Chairman and CEO of International Paper Co.	68	2015					
Jody Freeman	Archibald Cox Professor of Law at Harvard Law School	54	2012					
Gay Huey Evans, OBE	Deputy Chairman, Financial Reporting Council	63	2013					
Ryan M. Lance	Chairman and CEO of ConocoPhillips	55	2012					
Sharmila Mulligan	Founder and CEO of ClearStory Data Inc.	52	2017					
Arjun N. Murti	Senior Advisor at Warburg Pincus	49	2015					
Robert A. Niblock	Chairman, President and CEO of Lowe's Companies, Inc.	55	2010					
Harald J. Norvik Lead Director*	Former Chairman, President and CEO of Statoil	71	2005					

*Effective as of May 14, 2018 — Executive Committee ("EC") — Audit and Finance Committee ("AFC") — Human Resources and Compensation Committee ("HRCC") — Committee on Directors' Affairs ("DAC") — Public Policy Committee ("PPC") — Red indicates Chair

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BOARD REFRESHMENT AND DIVERSITY

The Committee on Directors' Affairs regularly evaluates the size and composition of the Board and continually assesses whether the composition appropriately relates to ConocoPhillips' strategic needs, which change as our business environment evolves. When conducting its review of the appropriate skills and qualifications desired of directors, the Committee on Directors' Affairs considers diversity of age, skills, gender and ethnicity. As shown below, the Board balances interests in continuity with the need for fresh perspectives and diversity that board refreshment and director succession planning can provide.

DIRECTOR NOMINEE TENURE DIVERSITY

4 directors
0-3 years
of service

4 directors
4-6 years
of service

1 director
7-10 years
of service

1 director
>10 years
of service

DIRECTOR NOMINEE GENDER DIVERSITY

40%
women

DIRECTOR NOMINEE AGE DIVERSITY

BOARD SKILLS & EXPERIENCE DIVERSITY

CEO or senior officer

CEO or senior officer experience demonstrates a practical understanding of organizations, processes, strategy, risk and risk management.

Financial reporting

Financial reporting, audit knowledge, and experience in capital markets, both debt and equity, are critical to ConocoPhillips' success.

Industry

Industry experience provides valuable perspective on issues specific to our business within the energy industry.

Global

Global business or international experience provides valued perspectives on how well we grow our businesses outside the United States.

Regulatory/ government

Regulatory/government experience offers valuable insight into how the energy industry is heavily regulated and directly affected by governmental actions and decisions.

Public company board service

Public company board service experience supports our goals of strong board and management accountability, transparency, and protection of stockholder interests.

Technology

Technology expertise adds exceptional value to our Board as we increasingly utilize our global data assets to monitor and optimize our operations.

Environmental/ sustainability

Environmental/sustainability experience ensures that strategic business essentials and long-term value creation for stockholders are achieved with a responsible, sustainable business model.

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Governance Highlights

Our Board of Directors oversees the development and execution of our strategy. We have robust governance practices and procedures that support our strategy. To maintain and enhance independent oversight, our Board is focused on its composition and effectiveness and has implemented a number of measures for continuous improvement.

The measures outlined below align our corporate governance structure with our strategic objectives, and enable the Board to effectively communicate and execute our culture of compliance and rigorous risk management.

COMPREHENSIVE, INTEGRATED GOVERNANCE PRACTICES

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Board Responsiveness to Our Stockholders

HOW WE ENGAGED IN 2017

Stockholder Outreach

In 2017, we requested meetings with stockholders representing **more than 50%** of our outstanding stock.

Meetings with Board Members and Senior Management

Our Lead Director, Richard H. Auchinleck, and HRCC Chairman, Robert A. Niblock, met in person with stockholders representing **approximately 37%** of ConocoPhillips' outstanding stock. Senior management conducted additional stockholder engagements. In total, we conducted engagement meetings with stockholders representing **more than 42%** of our outstanding stock.

Matters Discussed

Matters discussed during these meetings included our **strategy and value proposition, executive compensation, board composition and governance,** and **sustainability.**

Outcomes

ConocoPhillips' Board and management team were disappointed with the results of the 2017 Say on Pay vote, which failed to receive majority support. We undertook an extensive engagement effort and the HRCC conducted a thorough review of our compensation programs in order to determine how best to respond to stockholders. **After considering input from stockholders and other stakeholders, we implemented the following changes:**

Increased transparency around targets and results for our annual and long-term incentive programs
Disclosed a payout matrix for relative financial metrics

Reduced the complexity of our annual incentive program
Adjusted the 2018 long-term incentive program pay mix

Improved peer selection and CEO target pay benchmarking disclosures
See pages 48-49 for a more detailed discussion of feedback received and the changes made in response.

Additional changes made in response to ongoing stockholder engagement include:

Improved Board refreshment and diversity disclosure

Strengthened Board and Committee evaluation and nominating process disclosure

Enhanced qualifications and skills matrix disclosure

Returned to an in-person annual meeting

Implemented improved Internet availability through a live video webcast of the meeting and the capability to submit questions online in advance of the meeting

Committed to publish all questions and answers on our website after the meeting

Set a target to reduce our greenhouse gas emissions intensity by 5-15 percent by 2030

Revised our policies to reflect that the Vice President, Government Affairs and the Board will oversee trade association memberships
Posted disclosures on our website to provide the total lobbying expenditures for the previous calendar year and the aggregate percentage of trade association dues that relate to lobbying expenses as calculated by the trade associations

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Executive Compensation

2017 COMPENSATION PROGRAM STRUCTURE

Each year the HRCC, advised by its independent compensation consultant, undertakes a rigorous process to set and review executive compensation. The HRCC believes a substantial portion of our executive compensation should be focused on long-term performance and equity-based to reward sustained performance and to ensure the interests of our top executives are aligned with those of our stockholders.

Our four primary executive compensation programs are designed to provide a target value for compensation that is competitive with our peers and will attract and retain the talented executives necessary to manage a large and complex organization such as ConocoPhillips. The following chart summarizes the principal components of executive compensation and the performance drivers of each element.

2017 Element of Pay	Overview	Key Benchmarks/Performance Metrics
Annual		
Salary	Fixed cash compensation to attract and retain executives and balance at-risk compensation Limit: Salary grade minimum / maximum	Benchmarked to compensation peer group average of the integrated and independent medians and to *Fortune* 100 Industrials; adjusted for experience, responsibility, performance and potential
Variable Cash Incentive Program (“VCIP”)	Variable annual cash compensation to motivate and reward executives for achieving annual goals and strategic milestones that are critical to our strategic priorities Limit: 0% - 200% of target for corporate performance, plus/minus individual adjustments	Health, Safety & Environmental (20%) Financial - Relative Adjusted ROCE/CROCE (20%) Operational (20%) Strategic Milestones (20%) Relative TSR (20%) Measured over a one-year performance period and aligned with our strategic priorities
Long-Term Incentive Program (“LTIP”)		
	Variable long-term equity-based compensation to motivate and reward executives for achieving multi-year strategic priorities Granted at beginning of performance period with final cash payout based on HRCC assessment of progress toward pre-established corporate performance metrics and stock price on the settlement date Limit: 0% - 200% of target, inclusive of corporate performance and individual adjustments	Relative TSR (50%) Financial – Relative Adjusted ROCE/CROCE (30%) Strategic Objectives (20%) Measured over a three-year performance period and aligned with our strategic priorities
	Variable long-term equity-based compensation to encourage absolute performance and long-term value	Long-term stock price appreciation

creation over a performance period
of up to ten years

Limit: 0% - 100% of target

* Effective with equity grants in 2018, the HRCC approved replacing stock options with three-year, time-vested restricted stock units at a weight of 35% and increasing the weighting of performance shares to 65%. For more information, see *"Changes to Our Long-Term Incentive Programs for 2018"* beginning on page 72.

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COMPENSATION AND GOVERNANCE PRACTICES

Management and the HRCC believe pay and performance are best aligned through a rigorous review process of our executive compensation programs. This process, which is described under the heading "*HRCC Annual Compensation Cycle*" on page 57, consists of benchmarking against our peers, completing four distinct performance reviews, incorporating stockholder feedback, and seeking the assistance of an independent third-party compensation consultant.

In connection with this ongoing review, and based on feedback received through our stockholder outreach program, the HRCC maintains what it believes are best practices for executive compensation. Below is a summary of those practices.

WHAT WE DO

Pay for Performance: We align executive compensation with corporate and individual performance on both a short-term and long-term basis. The majority of our target total direct compensation for Senior Officers is variable incentive compensation. Actual total direct compensation varies based on the extent of achievement of, among other things, safety, operational, financial performance and strategic goals and stock performance.

Stock Ownership Guidelines: Our Stock Ownership Guidelines require executives to own stock and/or have an interest in restricted stock units valued at a multiple of base salary, ranging from 1.8 times salary for lower level executives to 6 times salary for the CEO. Directors are expected to own stock in the amount of the aggregate annual equity grants during their first five years on the Board. All of our Named Executive Officers and current directors meet or exceed these requirements.

Mitigation of Risk: Our compensation plans have provisions designed to mitigate undue risk, including caps on the maximum level of payouts, clawback provisions, varied performance measurement periods, and multiple performance metrics. In addition, the Board, the HRCC, and management perform an annual risk assessment to identify potential undue risk created by our incentive plans.

Clawback Policy: Executives' incentive compensation is subject to a clawback that applies in the event of certain financial restatements. This is in addition to provisions contained in our award documents pursuant to which we can suspend the right to exercise, refuse to honor the exercise of awards already requested, or cancel awards granted if an executive engages in any activity we determine is detrimental to ConocoPhillips.

Independent Compensation Consultant: The HRCC retained Frederic W. Cook & Co., Inc. (FW Cook) to serve as its independent executive compensation consultant. During 2017, FW Cook provided no other services to ConocoPhillips.

Double Trigger: Beginning with option awards granted in 2014 and performance share programs beginning in 2014, equity awards do not vest in the event of a change in control unless there is also a qualifying termination of employment.

Limited Payouts: In 2014, the HRCC formalized our existing practice of capping annual and long-term incentive payouts at 250% and 200% of target, respectively. In 2015, the HRCC formalized our existing practice of making no upward individual performance adjustments for stock options, capping the payout at 100% of target for programs beginning in 2016.

WHAT WE DON'T DO

No Excise Tax Gross Ups for Future Change in Control Plan Participants: In 2012, we eliminated excise tax gross ups for future participants in our Change in Control Severance Plan.

No Current Payment of Dividend Equivalents on Unvested Long-Term Incentives: Dividend equivalents on unvested restricted stock units awarded under the PSP are only paid out to the extent that the underlying award is ultimately earned.

No Repricing of Underwater Stock Options: Our plans do not permit us to reprice, exchange, or buy out underwater options without stockholder approval.

No Pledging, Hedging, Short Sales, or Derivative Transactions: Company policies prohibit our directors and executives from pledging, hedging, or trading in derivatives of ConocoPhillips stock.

No Employment Agreements for Our Named Executive Officers: All compensation for these officers is established by the HRCC.

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OUR APPROACH

ConocoPhillips' approach to sustainable development is driven by our commitment to responsibly provide oil and natural gas for the world's growing energy demand. Our sustainable development approach is integrated into ConocoPhillips' planning and decision-making with a foundation of policies and positions, action plans, performance indicators, engagement and transparent reporting. Our governance model extends from the Board's Public Policy Committee, through the executive team, to company leaders and internal subject matter experts. ConocoPhillips' strategy and decision-making includes consideration of climate-related financial risks.

ELT Champions for Sustainable Development (SD), Human Rights,
Stakeholder Engagement, Water/Biodiversity, Climate Change

Health, Safety & Environment Leadership Team

Networks of Excellence

Water Issues Working Group	Climate Change Issues Working Group	Biodiversity Issues Working Group	Stakeholder Issues Working Group

MANAGING CLIMATE-RELATED RISKS

We utilize scenarios in our strategic planning process to help manage climate-related risks. Scenario planning allows us to:

- gain a better understanding of external factors that impact our business;
- test the robustness of a strategy across different business environments;
- communicate risks appropriately; and
- adjust prudently to changes in the business environment.

By using our own energy planning model, we gain insight into various situations that may affect future supply, demand and prices of key commodities. This enables us to understand the range of risk around commodity prices, and the price risk associated with various greenhouse gas (GHG) reduction scenarios. We can then test our current portfolio of assets and investment opportunities against these future prices and see where weaknesses may exist, assisting with our capital allocation.

We have also set a target to reduce our GHG emissions intensity by 5 – 15 percent by 2030, from a 2017 baseline.

MANAGING LOCAL WATER RISKS

We recognize that fresh water is a limited resource in some parts of the world and its availability may change in the future. Our Global Water Sustainability Position, company-wide Water Action Plan, and Global Onshore Well Management Principles are all designed to support the conservation and protection of freshwater resources during all stages of the project life cycle. In regions with physical, regulatory or social water risks, we explore alternatives to fresh water, including deep brackish groundwater, recycled produced water, and reused municipal wastewater.

MANAGING LOCAL BIODIVERSITY RISKS

We recognize that terrestrial and marine plant and animal species and ecosystems, known as biodiversity, are important to maintaining ecosystem health and to human well-being. With an increasing number of species considered to be at-risk or threatened, and an increasing number of protected areas established to conserve habitats, our Biodiversity Position and company-wide Biodiversity Action Plan are designed to mitigate our impact on sensitive environments and reduce the footprint of our operations.

ENGAGING STAKEHOLDERS

Active stakeholder engagement and dialogue is an integral part of our sustainability commitment. Stakeholder engagement is how we go about implementing or "operationalizing" our commitment to human rights, including indigenous peoples' rights, and our commitment to the communities where we operate. For each of our assets, we develop a stakeholder engagement plan that identifies those who can influence or be affected by our activities and outlines how we will engage with them to build long-term value for both ConocoPhillips and our stakeholders.

To learn more about sustainable development at ConocoPhillips, please view our Sustainability Report on our website under "Environment."

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The Committee on Directors' Affairs and our Board annually review our governance structure, taking into account changes in Securities and Exchange Commission ("SEC") and New York Stock Exchange ("NYSE") rules, as well as current best practices. Our Corporate Governance Guidelines address the matters shown below, among others.

> Director qualifications;
> Director responsibilities;
> Board committees;
> Director access to officers;
> Employees and independent advisors;
> Director compensation;
> Director orientation and continuing education;
> Chief Executive Officer evaluation and management succession planning;
> Board performance evaluations; and
> Stock ownership and holding requirements.

The Corporate Governance Guidelines are posted on our website under "*Investors* > *Corporate Governance*" and are available in print upon request (see "*Available Information, Questions and Answers about the Annual Meeting and Voting*" on page 104).

Communications with the Board of Directors

Stockholders and interested parties may write or call our Board of Directors by contacting our Corporate Secretary as provided below:

Write to:	Call:	Email:	Annual Meeting Website:
ConocoPhillips **Board of Directors** **c/o Corporate Secretary** **ConocoPhillips** **P.O. Box 4783** **Houston, TX 77210-4783**	**(281) 293-3030**	***boardcommunication@conocophillips.com***	***www.conocophillips.com/annualmeeting***

Relevant communications will be distributed to the full Board or to individual directors, as appropriate. The Corporate Secretary will not forward business solicitations or advertisements, junk mail and mass mailings, new product suggestions, product complaints, product inquiries, resumes and other forms of job inquiries, surveys, or communications that are unduly hostile, threatening, illegal, or similarly unsuitable. Any communication that is filtered out is available to any director upon request.

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Engagement

ConocoPhillips is committed to engaging in constructive and meaningful conversations with stockholders and to building and managing long-term relationships based on mutual trust and respect. The Board values the input and insights of our stockholders and believes that consistent and effective Board-stockholder communication strengthens the Board's role as an active, informed and engaged fiduciary.

BOARD OVERSIGHT OF ENGAGEMENT

In an effort to continuously improve ConocoPhillips' governance processes and communications, the Committee on Directors' Affairs has adopted Board and Shareholder Communication and Engagement Guidelines. Recognizing that director attendance at the annual meeting provides stockholders with a valuable opportunity to communicate with Board members, we expect directors to attend. In 2017, all of the directors seeking re-election participated in the virtual annual meeting. We anticipate that all of the director nominees will attend the Annual Meeting in May. We also support an open and transparent process for stockholders and other interested parties to contact the Board in between annual meetings as noted under *"Communications with the Board of Directors."*

THE BOARD-DRIVEN STOCKHOLDER ENGAGEMENT PROCESS

Deliberate, assess and prepare

The Board regularly assesses and monitors investor sentiment, stockholder voting results, and trends in governance, executive compensation, regulatory, environmental, social, and other matters. With that foundation, the Board identifies and prioritizes potential topics for stockholder engagement.

Outreach and engagement

Management regularly meets with stockholders to actively solicit input on a range of issues, and reports stockholder views to our Board. With management's assistance, the Board maintains a two-way dialogue with stockholders, which clarifies and deepens the Board's understanding of stockholder concerns and provides stockholders with insight into our Board's processes.

Evaluate and respond

Stockholder input informs our Board's ongoing process of continually improving governance and other practices. Specifically, the Board and management regularly review stockholder input to evaluate any identified issues and concerns. The Board responds, as appropriate, with continued discussion with stockholders and enhancements to policy, practices, and disclosure.

ONGOING ENGAGEMENT AND BOARD REPORTING

Executives and management from ConocoPhillips' human resources, legal, investor relations, government affairs, and sustainable development groups, among others, regularly meet with stockholders on a variety of topics. Management provides regular reports to the Board and its committees regarding the key themes and results of these conversations, including typical investor concerns and questions, emerging issues, and pertinent corporate governance matters.

In 2017, we actively reached out to more than 50 percent of our investors to invite them to participate in in-depth discussions with an engagement team consisting of directors, management and internal subject-matter experts on strategy, governance, compensation, and environmental and social issues. Members of management also met with the stockholders who submitted proposals to be included in our Proxy Statement to discuss their concerns. We gained valuable feedback during these discussions, which was shared with the Board and its relevant committees.

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BY THE NUMBERS: STOCKHOLDER ENGAGEMENT IN SPRING AND FALL 2017

BOARD RESPONSIVENESS

Our Board is committed to constructive engagement with investors. We regularly evaluate and respond to the views expressed by our stockholders. This dialogue has led to enhancements in our corporate governance, environmental, social, and executive compensation activities, which the Board believes are in the best interest of ConocoPhillips and our stockholders.

ConocoPhillips' Board and management team were disappointed with the results of the 2017 Say on Pay vote, which failed to receive majority support. We undertook an extensive engagement effort and the HRCC conducted a thorough review of our compensation programs in order to determine how best to respond to stockholders. **After considering input from stockholders and other stakeholders, we implemented the following changes:**

Enhancements to our executive compensation program and disclosures

Increased transparency around targets and results for our annual and long-term incentive programs

Disclosed a payout matrix for relative financial metrics

Reduced the complexity of our annual incentive program

Adjusted the 2018 long-term incentive program pay mix

Improved peer selection and CEO target pay benchmarking disclosures

See pages 48-49 for a more detailed discussion of feedback received and the changes made in response.

Additional changes made in response to ongoing stockholder engagement include:

Enhancements to our governance disclosures

Improved Board refreshment and diversity disclosure

Strengthened Board and Committee evaluation and nominating process disclosure

Enhanced qualifications and skills matrix disclosure

An improved Annual Meeting experience for our stockholders

Returned to an in-person annual meeting

Implemented improved Internet availability through a live video webcast of the meeting and the capability to submit questions online in advance of the meeting

Committed to publish all questions and answers on our website after the meeting

Implemented industry-leading steps to further strengthen our commitment to strong environmental stewardship

Set a target to reduce our greenhouse gas emissions intensity by 5-15 percent by 2030

Updated our lobbying policies and disclosures

Revised our policies to reflect that the Vice President, Government Affairs and the Board will oversee trade association memberships

Posted disclosures on our website to provide the total lobbying expenditures for the previous calendar year and the aggregate percentage of trade association dues that relate to lobbying expenses as calculated by the trade associations

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Board Leadership Structure

Board Overview

- >Chairman of the Board and Chief Executive Officer: Ryan M. Lance
- >Lead Director: Richard H. Auchinleck*
- >Active engagement by all directors
- >Nine of our 10 director nominees are independent
- >All members of the Audit and Finance Committee, Human Resources and Compensation Committee, Committee on Directors' Affairs and Public Policy Committee are independent

Our Board believes that continuing to combine the position of Chairman and CEO is in the best interests of ConocoPhillips and its stockholders and provides an effective balance between strong company leadership and oversight by engaged independent directors.

* Mr. Auchinleck is scheduled to retire at the Annual Meeting on May 15, 2018. The non-employee directors have selected Harald J. Norvik to serve as Lead Director effective May 14, 2018.

CHAIRMAN AND CEO ROLES

ConocoPhillips believes that independent board oversight is an essential component of strong corporate performance and enhances stockholder value. A combined Chairman and CEO is only one element of our leadership structure, which also includes an independent Lead Director and active non-employee directors. Furthermore, each of the Audit and Finance, Human Resources and Compensation, Directors' Affairs, and Public Policy Committees is made up entirely of independent directors. While the Board retains the authority to separate the positions of Chairman and CEO if it deems appropriate in the future, the combined role of Chairman and CEO is currently effective. Combining these roles places one person in a position to guide the Board in setting priorities for ConocoPhillips and in addressing the risks and challenges we face. The Board believes that, while its independent directors bring a diversity of skills and perspectives to the Board, our CEO, by virtue of his day-to-day involvement in managing ConocoPhillips, is best suited to perform this unified role.

The Board believes there is no single organizational model that is the best and most effective in all circumstances. As a result, the Board periodically considers whether the offices of Chairman and CEO should be combined and who should serve in such capacities. The Board will continue to reexamine its corporate governance policies and leadership structures on an ongoing basis to ensure that they continue to meet our needs.

INDEPENDENT DIRECTOR LEADERSHIP

The Board believes its current structure and processes encourage the independent directors to be actively involved in guiding the work of the Board. The Chairs of the Board's committees establish their agendas and review their committee materials in advance of meetings, conferring with other directors and members of management as each deems appropriate. Moreover, each director is authorized to suggest agenda items and to raise matters that are not on the agenda at Board and committee meetings.

Our Corporate Governance Guidelines require the independent directors to meet in executive session at every meeting. Additionally, if the offices of Chairman and CEO are held by the same person, a lead director will be selected from among the non-employee directors. Richard H. Auchinleck currently serves in this role; however, he is scheduled to retire at the Annual Meeting. The non-employee directors have selected Harald J. Norvik to serve as Lead Director effective May 14, 2018.

Our Lead Director presides at executive sessions of the independent directors. Each executive session may include, among other things, a discussion of the performance of the Chairman and CEO, matters concerning the relationship of the Board with the Chairman and CEO and other members of senior management, and such other matters as the independent directors deem appropriate. No formal action of the Board is taken at these meetings, although the independent directors may subsequently recommend matters for consideration by the full Board. The Board may invite guest attendees for the purpose of making presentations, responding to questions by the directors, or providing counsel on specific matters within their areas of expertise. In addition to chairing the executive sessions, the Lead Director manages the discussion with our CEO following the independent directors' executive sessions, extensively participates in the discussion of CEO performance with the Human Resources and Compensation Committee, and ensures that the Board's self-assessments are conducted annually.

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Board and Committee Evaluations

Each year, the Board performs a rigorous full Board evaluation, and each director performs a self-evaluation and evaluations of each peer. Generally, the evaluation process described below is managed by the Corporate Secretary's office with oversight by the Committee on Directors' Affairs. However, the Committee on Directors' Affairs periodically retains an independent third party to manage the evaluation process to ensure it remains as thorough and transparent as possible.

In addition to participating in the full Board evaluation, members of each committee also complete a detailed questionnaire annually to evaluate how well the committee is operating and to suggest improvements. The committee Chairs all summarize the responses and review them with their respective committee members.

The Committee on Directors' Affairs reviews these evaluation processes annually and develops any changes it deems necessary.

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Board Independence

The Corporate Governance Guidelines contain director independence standards, which are consistent with the standards set forth in the NYSE Listing Manual, to assist the Board in determining the independence of ConocoPhillips' directors. The Board has determined that each director, except Mr. Lance, meets the standards regarding independence set forth in the Corporate Governance Guidelines and is free of any material relationship with ConocoPhillips (either directly or as a partner, stockholder or officer of an organization that has a relationship with ConocoPhillips). In making such determination, the Board specifically considered the fact that many of our directors are directors, retired officers and stockholders of companies with which we conduct business. In addition, some of our directors serve as employees of, or consultants to, companies that do business with ConocoPhillips and its affiliates. In all cases, the Board determined that the nature of the business conducted and the interest of the director by virtue of such position were immaterial both to ConocoPhillips and to the director.

In recommending that each non-employee director be found independent, our Board, with input from the Committee on Directors' Affairs, considered relationships that, while not constituting related-party transactions in which a director had a direct or indirect material interest, nonetheless involved transactions between ConocoPhillips and a company with which a director is affiliated, whether through employment status or by virtue of serving as a director. Included in the Committee's review were the following transactions, which occurred in the ordinary course of business. All of these matters fall below the relevant thresholds for independence as set forth in the NYSE Listing Manual and our Corporate Governance Guidelines.

Director	Matters Considered
Richard H. Auchinleck	Ordinary course business transactions with Telus Corporation
Charles E. Bunch	Ordinary course business transactions with Marathon Petroleum Corporation
Caroline Maury Devine	Ordinary course business transactions with Technip and Petroleum Geo-Services ASA
John V. Faraci	Ordinary course business transactions with National Fish and Wildlife Foundation and the American Enterprise Institute
Gay Huey Evans	Ordinary course business transactions with Standard Chartered PLC and the Financial Reporting Council
Robert A. Niblock	Ordinary course business transactions with Lowe's Companies, Inc.
Harald J. Norvik	Ordinary course business transactions with Petroleum Geo-Services ASA

Board Risk Oversight

While our management team is responsible for the day-to-day management of risk, the Board has broad oversight responsibility for our risk-management programs. In this role, the Board is responsible for satisfying itself that the risk-management processes designed and implemented by management are functioning as intended, and that necessary steps are taken to foster a culture of prudent decision-making throughout the organization.

The Board has delegated to individual Board committees certain elements of its oversight function, as shown on the following page. In addition, the Board has delegated authority to the Audit and Finance Committee to manage the oversight efforts of the various committees. As part of this authority, the Audit and Finance Committee regularly discusses ConocoPhillips' enterprise risk-management policies and facilitates appropriate coordination among Board committees to ensure that our risk-management programs are functioning properly. The Board receives regular updates from its committees on individual categories of risk, including strategy, reputation, operations, people, technology, investment, political/legislative/regulatory, and market, and receives a report annually from the Chairman of the Audit and Finance Committee about oversight efforts and coordination.

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BOARD OF DIRECTORS

AUDIT AND FINANCE COMMITTEE
- Financial/reserve reporting
- Compliance and ethics
- Cybersecurity

HUMAN RESOURCES AND COMPENSATION COMMITTEE
- Retention
- Compensation programs
- Diversity and inclusion

COMMITTEE ON DIRECTORS' AFFAIRS
- Executive succession planning
- Corporate governance policies and procedures

PUBLIC POLICY COMMITTEE
- Health, safety and environmental
- Operational integrity
- Political and regulatory

The Audit and Finance Committee manages and coordinates oversight efforts of all committees

The Board exercises its oversight function with respect to all material risks to ConocoPhillips, which are identified and discussed in our public filings with the SEC.

Executive Succession Planning and Leadership Development

Succession planning and leadership development are top priorities for the Board and management. On an ongoing basis, the Board plans for succession to the role of CEO and other senior management positions—a process overseen by the Committee on Directors' Affairs. The Human Resources and Compensation Committee assists in succession planning, as necessary, and reviews and makes recommendations to the Board regarding people strategies and leadership development initiatives. To assist the Board, the CEO periodically reports on individual senior executives and their potential to succeed to the position of CEO, and provides an assessment of potential successors to other key positions.

Code of Business Ethics and Conduct

ConocoPhillips has adopted a worldwide Code of Business Ethics and Conduct, which applies to all directors, officers, and employees. This Code is designed to help resolve ethical issues in an increasingly complex global business environment, and covers topics such as conflicts of interest, insider trading, competition and fair dealing, discrimination and harassment, confidentiality, payments to government personnel, anti-boycott laws, U.S. embargos and sanctions, compliance procedures, employee complaint procedures, expectations for supervisors, internal investigations, use of social media, and money laundering. In accordance with good corporate governance practices, we periodically review and revise the Code of Business Ethics and Conduct as necessary.

The Code of Business Ethics and Conduct is posted on our website under "*Investors* > *Corporate Governance*." Any amendments to the Code or waivers of it for our directors and executive officers will be posted on our website promptly to the extent required by law. Stockholders may request printed copies of our Code of Business Ethics and Conduct by following the instructions located under "*Available Information, Questions and Answers About the Annual Meeting and Voting*" on page 104.

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Related Party Transactions

The Audit and Finance Committee has adopted a policy to review all known transactions, arrangements, and relationships (or series of similar or related transactions) between ConocoPhillips (or a subsidiary) and any (1) person who is, or at any time since the beginning of our last fiscal year was, a director or executive officer of, or a nominee to become a director of, ConocoPhillips; (2) person who is known to be the beneficial owner of more than 5 percent of any class of our stock; (3) immediate family member of any of the foregoing persons; or (4) entity in which any of the foregoing persons is employed or is a general partner or in a similar position or in which such person has a 5 percent or greater beneficial ownership interest, in each case where the aggregate amount involved exceeds $120,000. The purpose of this review is to determine whether such related persons have a direct or indirect material interest in the transaction constituting a “Related Party Transaction.” ConocoPhillips’ legal staff, in consultation with the finance team, is primarily responsible for making these determinations and for developing and implementing procedures for obtaining the necessary background information about these transactions. In 2017, there were no Related Party Transactions.

Public Policy Engagement

Legislators and regulators govern all aspects of our industry and can have considerable influence on our success. Accordingly, senior leadership and our Board encourage involvement in activities that advance ConocoPhillips’ goals. As a company, we engage in activities that include direct lobbying, making contributions to candidates and political organizations from our corporate treasury and our employee political action committee (Spirit PAC), and participating in trade associations.

The Board’s Public Policy Committee has approved policies and guidelines to help ensure we are in compliance with local, state, and federal laws that govern corporate involvement in activities of a political or public policy nature. In addition, all of these activities are carefully managed by our Government Affairs division in order to yield the best business result for ConocoPhillips and to ensure compliance with the various reporting rules. To learn more about our political contribution activity and view our disclosures related to candidates, political organizations, and trade associations, please visit “*About US* > *Sustainability Approach* > *Policies and Positions*”at *www.conocophillips.com*.

Sustainability

For ConocoPhillips, sustainable development is about conducting our business to promote economic growth, a healthy environment, and vibrant communities, now and into the future. We believe this approach will enable us to deliver long-term value and satisfaction to all our stakeholders. Sustainable development is fully aligned with our vision to be the E&P company of choice for all stakeholders by pioneering a new standard of excellence. Moreover, it is embodied in our SPIRIT Values of Safety, People, Integrity, Responsibility, Innovation, and Teamwork.

ConocoPhillips has been rated for our sustainable development success. We were included in the *Dow Jones Sustainability North America Index* for the eleventh consecutive year and achieved a “B” rating for environmental performance and disclosure from the 2017 CDP Climate Change Survey.

Sustainable development governance includes direction and oversight from the Board’s Public Policy Committee and senior leadership. The Public Policy Committee oversees our position on public policy issues, including climate change, and on matters that may affect our reputation as a responsible corporate citizen, including sustainable development actions and reporting.

To learn more about sustainable development at ConocoPhillips, please view our Sustainable Development Report on our website under “*Environment*.”

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Board Meetings and Committees

The Board met eight times in 2017. Each director attended at least 75% of the aggregate of the Board and applicable committee meetings held in 2017.

The Board has five standing committees: the Executive Committee; the Audit and Finance Committee; the Human Resources and Compensation Committee; the Committee on Directors' Affairs; and the Public Policy Committee. The Board has determined that all of the members of the Audit and Finance Committee, the Human Resources and Compensation Committee, the Committee on Directors' Affairs, and the Public Policy Committee are independent directors within the meaning of SEC regulations, the listing standards of the NYSE, and ConocoPhillips' Corporate Governance Guidelines. Each committee, other than the Executive Committee, conducts an annual self-evaluation as described under *"Board and Committee Evaluations"* on page 20. The charters for our standing committees can be found on ConocoPhillips' website at *www.conocophillips.com* under "*Investors* > *Corporate Governance* > *Committees.*" Stockholders may request printed copies of these charters by following the instructions under *"Available Information, Questions and Answers About the Annual Meeting and Voting"* on page 104.

The committee membership effective as of May 14, 2018, and primary responsibilities of the committees, as well as the number of meetings held in 2017, are shown below.

Ryan M. Lance | *Chair*
John V. Faraci
Jody Freeman
Robert A. Niblock
Harald J. Norvik

2017 meetings | 1

Primary responsibilities

> Exercises the authority of the full Board between Board meetings on all matters other than (1) those matters expressly delegated to another committee of the Board, (2) the adoption, amendment, or repeal of any of our By-Laws, and (3) matters that cannot be delegated to a committee under statute or our Certificate of Incorporation or By-Laws.

John V. Faraci | *Chair*
Charles E. Bunch
C. Maury Devine
Gay Huey Evans
Sharmila Mulligan
Arjun N. Murti

2017 meetings | 10

Primary responsibilities

> Discusses with management, the independent auditors, and the internal auditors the integrity of ConocoPhillips' accounting policies, internal controls, financial statements, financial reporting practices, and select financial matters, covering our capital structure, financial risk management, retirement plans, and tax planning.

> Monitors the qualifications, independence, and performance of our independent auditors and the qualifications and performance of our internal auditors.

> Monitors our compliance with legal and regulatory requirements and corporate governance, including our Code of Business Ethics and Conduct.

> Maintains open and direct lines of communication with the Board and our management, internal auditors, independent auditors, and the global compliance and ethics organization.

> Assists the Board in fulfilling its oversight of enterprise risk management, particularly with regard to market based risks; financial reporting; effectiveness of compliance programs, information systems, and cybersecurity; commercial trading; and procurement.

> Reviews, and coordinates the review by other committees of, significant corporate risk exposures and steps management has taken to monitor, control, and report such exposures.

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Robert A. Niblock | *Chair*
John V. Faraci
Sharmila Mulligan
Harald J. Norvik

2017 meetings | 8

Primary responsibilities

> Oversees our executive compensation policies, plans, programs, and practices and reviews our retention strategies.

> Assists the Board in discharging its responsibilities relating to the fair and competitive compensation of our executives and other key employees.

> Together with the Lead Director, annually reviews the performance of the CEO.

> Annually reviews and determines compensation for the CEO and our Senior Officers.

> Reviews and makes recommendations to the Board regarding people strategies and initiatives such as leadership development and cultural and diversity management.

> Assists the Board in fulfilling its oversight of enterprise risk management, particularly risks in connection with compensation programs and practices and retention strategies.

Harald J. Norvik | *Chair*
Charles E. Bunch
Jody Freeman
Robert A. Niblock

2017 meetings | 5

Primary responsibilities

> Selects and recommends director candidates to be submitted for election at the Annual Meeting and to fill any vacancies on the Board.

> Recommends committee assignments to the Board.

> Reviews and recommends to the Board compensation and benefits policies for non-employee directors.

> Monitors the orientation and continuing education programs for directors.

> Conducts an annual assessment of the qualifications and performance of the Board and each of the directors.

> Reviews and reports to the Board annually on the succession-planning process for the CEO and senior management.

> Assists the Board in fulfilling its oversight of enterprise risk management, particularly risks in connection with governance policies and procedures.

Jody Freeman | *Chair*
C. Maury Devine
Gay Huey Evans
Arjun N. Murti

2017 meetings | 5

Primary responsibilities

> Advises the Board on current and emerging domestic and international public policy issues.

> Assists the Board in developing and reviewing policies and budgets for charitable and political contributions.

> Reviews and makes recommendations to the Board on, and monitors compliance with, policies, programs, and practices with regard to health, safety, environmental protection, government relations, and similar matters.

> Assists the Board in fulfilling its oversight of enterprise risk management, particularly risks in connection with social, political, safety and environmental, operational integrity, and public policy aspects of our business and the communities in which we operate.

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Non-Employee Director Compensation

Our non-employee director compensation program consists primarily of an equity component and a cash component.

OBJECTIVES AND PRINCIPLES

The Board's goal in designing director compensation is to provide a competitive package that will enable us to attract and retain highly-skilled individuals with relevant experience. Our compensation program also reflects the time and talent required to serve on the board of a complex, multinational corporation. The Board seeks to provide sufficient flexibility in the form of compensation to meet directors' varying needs while ensuring that a substantial portion of compensation is linked to the long-term success of ConocoPhillips.

Compensation for non-employee directors is reviewed annually by the Committee on Directors' Affairs and set upon approval by the Board. Compensation for non-employee directors has remained unchanged since 2013. At that time, the Board approved the current levels of compensation after a recommendation from the Committee on Directors' Affairs, which had undertaken a review with an independent compensation consultant.

In both 2016 and 2017, the Committee on Directors' Affairs met with a second independent compensation consultant to review the non-employee director compensation program and to determine whether to recommend any changes to that program. These reviews included comparisons of director compensation levels with, and examined trends in director compensation at, the compensation peer group and the *Fortune* 50 – 150 companies. See "*Peers and Benchmarking*" on page 58. In connection with these reviews, the consultant noted that our director compensation program was within the limits set out in the stockholder-approved 2014 Omnibus Share and Performance Incentive Plan under which director awards are made. In both years the Board agreed with the recommendation of the Committee on Directors' Affairs that no change in director compensation was warranted.

EQUITY COMPENSATION

Non-employee directors receive an annual grant of restricted stock units with an aggregate value of $220,000 on the date of grant. The restricted stock units are fully vested at grant, and are credited with dividend equivalents in the form of additional restricted stock units, but they cannot be sold or otherwise transferred.

Prior to each annual grant, a director may elect the schedule on which the restrictions will lapse. When restrictions lapse, directors will receive unrestricted shares of ConocoPhillips stock in exchange for their restricted stock units. Regardless of the schedule a director elects, all restrictions on a director's restricted stock units will lapse in the event of the director's retirement, disability, or death, or upon a change of control of ConocoPhillips, unless the director has elected to defer receipt of the shares until a later date. Directors forfeit the units if, before restrictions lapse (and prior to any change of control), the Board finds sufficient cause for forfeiture.

Restricted stock units granted to directors who are not residents of the United States may have modified terms to comply with applicable laws and tax rules. Thus, the restricted stock units granted to Messrs. Auchinleck and Norvik have slightly different terms responsive to the tax laws of their home countries (Canada and Norway, respectively)—the most important difference being that the restrictions lapse only in the event of retirement, death, or loss of position, including upon a change in control.

CASH COMPENSATION

In 2017, each non-employee director received $115,000 annual cash compensation, as well as the following additional cash compensation based upon their respective committee assignments:

> Lead Director—$35,000
> Chair of the Audit and Finance Committee—$25,000
> Chair of the Human Resources and Compensation Committee—$20,000
> Chair of any other committee—$10,000
> All other Audit and Finance Committee members—$10,000
> All other Human Resources and Compensation Committee members—$7,500
> All other committee members—$5,000

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This cash compensation is payable in monthly installments. Directors may elect, on an annual basis, to receive all or part of their cash compensation in unrestricted stock or in restricted stock units, or to have the amount credited to a deferred compensation account. Any such unrestricted stock or restricted stock units will be issued on the last business day of each month, valued using the average of the high and the low market prices of ConocoPhillips common stock on such date. The restricted stock units issued in lieu of cash compensation are subject to the same restrictions as the annual restricted stock units described under "*Equity Compensation*."

The Board has approved modifications of the compensation for directors who are taxed under the laws of other countries. Canadian directors (currently, Mr. Auchinleck) may elect to receive cash compensation either in cash or in restricted stock units; Norwegian directors (currently, Mr. Norvik) receive compensation that would otherwise have been received as cash only as restricted stock units. Restricted stock units issued to Canadian and Norwegian directors are subject to the same restrictions as the annual restricted stock unit grants described under "*Equity Compensation*."

DEFERRAL OF COMPENSATION

Directors can elect to defer their cash compensation into the Deferred Compensation Plan for Non-Employee Directors of ConocoPhillips ("Director Deferral Plan"). Deferred amounts are deemed to be invested in various mutual funds and similar investment choices (including ConocoPhillips common stock) selected by the director from a prescribed list. Mr. Auchinleck (from Canada) and Mr. Norvik (from Norway) may not defer cash compensation.

MATCHING GIFT PROGRAM

All active and retired directors are eligible to participate in the ConocoPhillips Matching Gift Program. This program provides a dollar-for-dollar match of a gift of cash or securities (up to a maximum of $10,000 annually per donor for active directors and $5,000 annually per donor for retired directors) to tax-exempt charities and educational institutions (excluding religious, political, fraternal, or athletic organizations). The Board believes the Matching Gift Program is consistent with ConocoPhillips' commitment to social responsibility.

OTHER COMPENSATION

We provide transportation or reimburse the cost of transportation when a director travels on ConocoPhillips business, including to attend meetings of the Board or a committee. Spouses and other guests of directors occasionally attend certain meetings at the request of the Board. The Board believes this creates a collegial environment that enhances the effectiveness of the Board. If spouses or other guests are invited to attend meetings, ConocoPhillips reimburses directors for the out-of-pocket cost of the additional travel and related incidental expenses. Any such reimbursement is treated by the Internal Revenue Service as taxable income to the applicable director. Directors do not receive gross-ups to compensate for the resulting income taxes.

STOCK OWNERSHIP

Directors are expected to own ConocoPhillips stock in the amount of the aggregate annual equity grants during their first five years on the Board. Directors are expected to reach this level of target ownership within five years of joining the Board. Actual shares of stock, restricted stock, or restricted stock units, including deferred stock units, may be counted in satisfying the stock ownership guidelines. The holdings of each of our directors currently meet or exceed these guidelines.

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NON-EMPLOYEE DIRECTOR COMPENSATION TABLE

Name	Fees Earned or Paid in Cash(1)	Stock Awards(2)(3)	Option Awards	Non-Equity Incentive Plan Compensation	Change in Pension Value and Nonqualified Deferred Compensation on Earnings	All Other Compensation(4)(5)	To
R.L. Armitage	125,000	$220,001	$—	$—	$—	$3,000	$3
R.H. Auchinleck	167,732	220,001	—	—	—	—	3
C.E. Bunch	127,917	220,001	—	—	—	10,000	3
J.E. Copeland, Jr. (retired)(6)	52,083	220,001	—	—	—	14,178	2
C. M. Devine	32,500	—	—	—	—	—	
J.V. Faraci	144,639	220,001	—	—	—	10,000	3
J. Freeman	127,083	220,001	—	—	—	6,000	3
G. Huey Evans	128,958	220,001	—	—	—	10,000	3
S. Mulligan	65,000	—	—	—	—	—	
A.N. Murti	128,263	220,001	—	—	—	—	3
R.A. Niblock	140,329	220,001	—	—	—	10,000	3
H.J. Norvik	132,799	220,001	—	—	—	—	3

(1) Reflects 2017 annual cash compensation of $115,000 payable to each non-employee director. In 2017, non-employee directors serving in specified committee positions also received the following additional cash compensation:

Lead Director—$35,000

Chair of the Audit and Finance Committee—$25,000

Chair of the Human Resources and Compensation Committee—$20,000

Chair of any other committee—$10,000

All other Audit and Finance Committee members—$10,000

All other Human Resources and Compensation Committee members—$7,500

All other committee members—$5,000

Amounts shown include prorated amounts attributable to committee reassignments, which may occur during the year. Amounts shown in the Fees Earned or Paid in Cash column include any amounts that were voluntarily deferred to the Director Deferral Plan, received in ConocoPhillips common stock, or received in restricted stock units. Messrs. Auchinleck, Faraci, Murti, Niblock and Norvik received 100% of their cash compensation in restricted stock units in 2017, with an aggregate grant date fair value as shown in the table. All other directors received their cash compensation in cash or deferred such amounts into the Director Deferral Plan.

(2) Amounts represent the aggregate grant date fair value of stock awards granted under our non-employee director compensation program. On January 15, 2017, each non-employee director received a 2017 annual grant of restricted stock units with an aggregate value of $220,000 based on the average of the high and low price for our common stock, as reported on the NYSE, on the grant date. These grants are made in whole shares, with fractional share amounts rounded up, resulting in a grant of shares with a value of $220,001 to each person who was a director on January 15, 2017.

(3) The following table reflects, for each director, the aggregate number of stock awards outstanding as of December 31, 2017:

Name	Number of Deferred Shares or Units of Stock
R.L. Armitage	39,679
R.H. Auchinleck	119,449
C.E. Bunch	14,195
J.E. Copeland, Jr. (retired)	—
C.M. Devine	—
J.V. Faraci	17,236
J. Freeman	21,358
G. Huey Evans	17,893
S. Mulligan	—
A.N. Murti	22,143
R.A. Niblock	43,518
H.J. Norvik	69,991

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The following table lists delivery of director stock awards in 2017:

Name	Number of Shares Acquired on Award Delivery	Value Realized Upon Award Delivery
R.L. Armitage	—	$—
R.H. Auchinleck	—	—
C.E. Bunch	—	—
J.E. Copeland, Jr. (retired)	59,590	2,961,127
C. M. Devine	—	—
J.V. Faraci	—	—
J. Freeman	—	—
G. Huey Evans	—	—
S. Mulligan	—	—
A.N. Murti	—	—
R.A. Niblock	—	—
H.J. Norvik	—	—

(4) The amounts shown in this column include a tax gross-up payment of $4,178 to Mr. Copeland; all other amounts reflect matching gifts. ConocoPhillips has a practice of making gift presentations to its retiring directors, especially those of long service. The fair value of the retirement presentation to Mr. Copeland was $4,463, and this amount was imputed to Mr. Copeland's income. In such circumstances, if a director is imputed income in accordance with applicable tax laws, ConocoPhillips generally will reimburse the director for the resulting increased tax costs. All such tax reimbursement has been included above, regardless of whether the corresponding perquisite or personal benefit is required to be reported pursuant to SEC rules and regulations.
ConocoPhillips maintains a Matching Gift Program under which we match certain gifts by directors to charities and educational institutions, excluding religious, political, fraternal, or athletic organizations, that are tax-exempt under Section 501(c)(3) of the Internal Revenue Code of the United States or meet similar requirements under the applicable law of other countries. For directors, the program matches up to $10,000 in each program year. Administration of the program can cause us to pay more than $10,000 in a single fiscal year due to a lag in processing claims. The amounts shown are for the actual payments by ConocoPhillips in 2017. Mr. Lance is eligible for the program as an executive rather than as a director. Information on the value of matching gifts for Mr. Lance is provided in the *Summary Compensation Table* on page 78 and the notes to that table.

(5) None of the directors had aggregate personal benefits or perquisites of $10,000 or more in value.

(6) Mr. Copeland retired from the Board effective May 16, 2017. The amounts in the table above include his prorated compensation reflecting the portion of 2017 in which he served as a director.

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WHAT IS THE MAKEUP OF THE BOARD OF DIRECTORS AND HOW OFTEN ARE THE MEMBERS ELECTED?

Our Board of Directors currently has 12 members. The size of the Board is expected to be reduced to 10 members when Mr. Armitage and Mr. Auchinleck retire at the 2018 Annual Meeting of Stockholders. Directors are elected at the annual stockholder meeting each year. Any vacancy on the Board created between annual stockholder meetings (if, for example, a current director resigns or the size of the Board is increased) may be filled by a majority vote of the remaining directors then in office. Any director appointed to fill a vacancy would hold office until the next election.

Under our Corporate Governance Guidelines, directors generally may not stand for re-election after they reach the age of 72.

WHAT IF A NOMINEE IS UNABLE OR UNWILLING TO SERVE?

All director nominees have consented to serve. However, should a director become unable or unwilling to serve before the date of the Annual Meeting, and the Board does not elect to reduce the size of the Board, shares represented by proxies may be voted for a substitute nominated by the Board.

HOW ARE DIRECTORS COMPENSATED?

Please see our discussion of non-employee director compensation beginning on page 26.

HOW ARE NOMINEES SELECTED?

The Committee on Directors' Affairs regularly evaluates the size and composition of the Board and continually assesses whether the composition appropriately relates to ConocoPhillips' strategic needs, which change as the business environment evolves. We seek director candidates who possess the highest personal and professional ethics, integrity, and values, and who are committed to representing the long-term interests of all ConocoPhillips' stakeholders.

The chart below shows our process for identifying and integrating new directors.

HOW WE SELECT NEW BOARD MEMBERS

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Our Corporate Governance Guidelines contain director independence standards consistent with the standards prescribed in the NYSE Listing Manual and provide that at all times at least a substantial majority of the Board must meet those standards. The Committee on Directors Affairs also seeks to ensure that the Board reflects a range of talents, ages, skills, personal attributes, and expertise particularly in the areas of accounting and finance, management, domestic and international markets, leadership, government regulation, environmental and sustainability matters, public policy issues, and oil- and gas-related industries sufficient to provide sound and prudent guidance with respect to ConocoPhillips strategic needs. The Board seeks to maintain a diverse membership and also requires that its members be able to dedicate the time and resources necessary to ensure the diligent performance of their duties, including attending Board and applicable committee meetings. To that end, the Committee on Directors Affairs considers the number of other boards on which each candidate already serves. Directors should advise the Chairman of the Board and the Chair of the Committee on Directors Affairs in advance of accepting an invitation to serve on another public company board.

The following are some of the key qualifications and skills the Committee on Directors' Affairs considered in evaluating the director nominees. The chart on the next page shows how these qualifications and skills are distributed among our nominees. The individual biographies beginning on page 34 provide additional information about each nominee's specific experiences, qualifications and skills.

CEO or senior officer. We believe that directors with CEO or senior officer experience provide valuable insights. These individuals have a demonstrated record of leadership and a practical understanding of organizations, processes, strategy, risk and risk management, and the methods to drive change and growth. Through their service as top leaders at other companies, they also bring valuable perspectives on common issues affecting large and complex organizations.

Financial reporting. We measure operating and strategic performance by reference to financial targets. In addition, accurate financial reporting and robust auditing are critical to ConocoPhillips' success. Accordingly, we seek to have a number of directors who qualify as audit committee financial experts (as defined by SEC rules), and we expect all of our directors to be financially knowledgeable. We also believe it is important to have knowledge and experience in capital markets, both debt and equity, given our position as a large publicly-traded company.

Industry. We seek to have directors with significant experience in the energy industry. These directors have valuable perspective on issues specific to our business.

Global. As a global energy company, our future success depends, in part, on how well we grow our businesses outside the United States. Directors with global business or international experience provide valued perspectives on our operations.

Regulatory/government. The perspective of directors who have experience within the regulatory field is important. The energy industry is heavily regulated and directly affected by governmental actions and decisions, and we believe that directors with government experience offer valuable insight in this regard.

Public company board service. ConocoPhillips aspires to the highest standards of corporate governance and ethical conduct. Service on the boards and board committees of other large, publicly-traded companies provides an understanding of corporate governance practices and trends and insights into board management; relations between the board, the CEO and senior management; agenda setting; and succession planning. We believe this experience supports our goals of strong board and management accountability, transparency, and protection of stockholder interests.

Technology. Experience or expertise in information technology helps us pursue and achieve our business objectives. Leadership and understanding of technology, cybersecurity risk, cloud computing, scalable data analytics, and big data technologies add exceptional value to our Board as we increasingly utilize our global data assets to monitor and optimize our operations.

Environmental/sustainability. We adhere to robust operating standards and procedures that have delivered a proven track record. Our sustainable development approach is integrated into ConocoPhillips' planning and decision making. We believe this experience strengthens the Board's oversight and ensures that strategic business essentials and long-term value creation for stockholders are achieved with a responsible, sustainable business model which fosters a stable and healthy environment for tomorrow and proactively addresses stakeholder interests.

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NOMINEE SKILLS MATRIX

Nominees and Primary Occupation	Other current U.S. public company directorships	Dir. Since	Age	Ind.
Charles E. Bunch Former Chairman and CEO of PPG Industries, Inc.	PNC Financial Services Group Marathon Petroleum Corporation Mondel z International, Inc.	2014	68	
Caroline Maury Devine Former President and Managing Director of a Norwegian affiliate of ExxonMobil	John Bean Technologies Corporation Valeo	2017	67	
John V. Faraci Former Chairman and CEO of International Paper Co.	PPG Industries, Inc. United Technologies Corporation	2015	68	
Jody Freeman Archibald Cox Professor of Law at Harvard Law School		2012	54	
Gay Huey Evans, OBE Deputy Chairman, Financial Reporting Council		2013	63	
Ryan M. Lance Chairman and CEO of ConocoPhillips		2012	55	
Sharmila Mulligan Founder and CEO of ClearStory Data Inc.		2017	52	
Arjun N. Murti Senior Advisor at Warburg Pincus		2015	49	
Robert A. Niblock Chairman, President and CEO of Lowe's Companies, Inc.	Lowe's Companies, Inc.	2010	55	
Harald J. Norvik Former Chairman, President and CEO of Statoil		2005	71	

The indicates that the item is a specific qualification, characteristic, skill or experience that the director nominee brings to the Board. The lack of a for a particular item does not mean that the director nominee does not possess that qualification, characteristic, skill or experience. We look to each director nominee to be knowledgeable in these areas.

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Generally, the Committee on Directors' Affairs identifies candidates through business and organizational contacts of the directors and management, though third-party search firms occasionally assist as well. Stockholders are also welcome to recommend director candidates for consideration. If you wish to recommend a candidate for nomination to the Board, please follow the procedures described under *"Submission of Future Stockholder Proposals and Nominations"* on page 103 for nominations made directly by a stockholder. Candidates recommended by stockholders are evaluated on the same basis as all other candidates.

After the 2017 Annual Meeting, at which eight of the current nominees for director were elected, the Committee on Directors' Affairs recommended and the Board concurred in electing Sharmila Mulligan and C. Maury Devine to the Board effective July 12, 2017, and October 6, 2017, respectively. Both Mses. Mulligan and Devine were identified as part of the Committee on Directors' Affairs' regular process for identifying potential director nominees. Ms. Mulligan was identified by management and Ms. Devine was identified by a recommendation from our current non-employee director, Mr. Norvik.

WHAT VOTE IS REQUIRED TO APPROVE THIS PROPOSAL?

Each nominee requires the affirmative vote of a majority of the votes cast at the meeting; the number of votes cast "for" a director must exceed the number of votes cast "against" that director. In a contested election (if the number of nominees exceeded the number of directors to be elected), directors would be elected by a plurality of the shares represented at the meeting and entitled to vote on the election of directors.

WHAT IF A DIRECTOR NOMINEE DOES NOT RECEIVE A MAJORITY OF THE VOTES CAST?

If a nominee who is serving as a director is not elected at the Annual Meeting and no one else is elected in place of that director, then, under Delaware law, the director continues to serve on the Board as a "holdover director." However, under our By-Laws, a holdover director is required to tender a resignation to the Board. The Committee on Directors' Affairs then would consider the resignation and recommend to the Board whether to accept or reject it, or whether some other action should be taken. The Board would then make a decision, without participation by the holdover director. The Board is required to disclose publicly (by a news release, filing with the SEC, or other broadly disseminated means of communication) its decision regarding the tendered resignation and the rationale behind that decision within 90 days from the date the election results are certified.

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WHO ARE THIS YEAR'S NOMINEES?

The following 10 directors are standing for election to hold office until the 2019 Annual Meeting of Stockholders. Each of the director nominees is a current director. Committee membership is effective as of May 14, 2018.

Age: 68

Director Since:
May 2014

ConocoPhillips Committees:
Audit and Finance Committee
Committee on Directors' Affairs
Other current U.S. public company directorships:

PNC Financial Services Group; Marathon Petroleum Corporation; Mondelēz International, Inc.

Charles E. Bunch

Former Chairman and Chief Executive Officer of PPG Industries, Inc.

Mr. Bunch served as Chairman and Chief Executive Officer of PPG Industries, Inc. from July 2005 to August 2015 and Executive Chairman from September 2015 to September 2016. He was President and Chief Operating Officer of PPG from July 2002 until he was elected President and Chief Executive Officer in March 2005 and Chairman and Chief Executive Officer in July 2005. Before becoming President and Chief Operating Officer, he was Executive Vice President of PPG from 2000 to 2002 and Senior Vice President, Strategic Planning and Corporate Services, of PPG from 1997 to 2000. Mr. Bunch was with PPG for more than 35 years prior to his retirement, holding positions in finance and planning, marketing, and general management in the United States and Europe. He currently serves on the boards of PNC Financial Services Group, Marathon Petroleum Corporation and Mondel z International, Inc. He previously served as a director of H.J. Heinz Company; as chairman of the Federal Reserve Bank of Cleveland, the National Association of Manufacturers, and the American Coatings Association; and as a member of the University of Pittsburgh's board of trustees.

Skills and Qualifications:

The Board values Mr. Bunch's experience as a director and CEO in a highly-regulated industry, as well as his management and finance experience. Additionally, Mr. Bunch has a strong background in management development and compensation. His international business experience with global issues facing a large, multinational public company enables him to provide the Board with valuable operational and financial expertise.

Age: 67

Director Since:
October 2017

ConocoPhillips Committees:
Audit and Finance Committee
Public Policy Committee
Other current U.S. public company directorships:

John Bean Technologies Corporation; Valeo

Caroline Maury Devine

Former President and Managing Director of a Norwegian affiliate of ExxonMobil

Ms. Devine served as President and Managing Director of a Norwegian affiliate of ExxonMobil from 1996 to 2000, and since 1988 held various corporate positions responsible for shareholder relations and governance issues, as well as international government relations with an emphasis on Vietnam, Indonesia, Nigeria and Russia.

Ms. Devine previously served the U.S. government for 15 years in positions on the White House Domestic Policy Staff, in the U.S. Embassy in Paris, and in the Drug Enforcement Administration. She is currently a member of the Council on Foreign Relations.

In addition to current positions on the boards of JBT Corporation and Valeo and as a member of the Nominating Committee of Petroleum Geo-Services ASA, Ms. Devine previously served on the boards of Det Norske Veritas, FMC Technologies, Inc., and Technip. She is a former Fellow at Harvard University's Belfer Center for Science and International Affairs.

Skills and Qualifications:

Ms. Devine's broad range of expertise in international affairs within the industry, as well as her government experience and service on other public company boards, are very valuable. Her senior officer experience demonstrates an understanding of organizations and the ability to deliver results.

John V. Faraci

Former Chairman and Chief Executive Officer of International Paper Co.

Age: 68

Director Since:
January 2015

ConocoPhillips Committees:
Audit and Finance Committee (Chair)
Human Resources and Compensation Committee
Executive Committee

Other current U.S. public company directorships:

PPG Industries, Inc.;
United Technologies Corporation

Mr. Faraci served as Chairman and Chief Executive Officer of International Paper Co. from 2003 until his retirement in 2014. He spent his career of more than 40 years at International Paper, also serving as the company's Chief Financial Officer and in various other financial, planning and management positions. Mr. Faraci serves on the board of directors for PPG Industries, Inc. and United Technologies Corporation. He is a trustee of the American Enterprise Institute, Denison University, and the National Fish and Wildlife Foundation.

Skills and Qualifications:

The Board values Mr. Faraci's experience as a director and CEO. His international business experience at a large public company enables him to provide the Board with valuable operational and financial expertise and an informed management perspective on global business issues.

Jody Freeman

Archibald Cox Professor of Law at Harvard Law School

Age: 54

Director Since:
July 2012

ConocoPhillips Committees:
Committee on Directors' Affairs
Public Policy Committee (Chair)
Executive Committee

Ms. Freeman is the Archibald Cox Professor of Law at Harvard Law School and founding director of the Harvard Law School Environmental Law and Policy Program. Ms. Freeman formerly served as Counselor for Energy and Climate Change in the White House from 2009 to 2010 and as an independent consultant to the National Commission on the Deepwater Horizon Oil Spill and Offshore Drilling in 2010. Ms. Freeman has served as a member of the Administrative Conference of the United States and is a Fellow of the American College of Environmental Lawyers. Before joining the Harvard faculty in 2005, she was a professor of Law at UCLA Law School from 1995 to 2005.

Skills and Qualifications:

Ms. Freeman's expertise in environmental law and policy, and her unique experiences in shaping federal environmental and energy policy, especially in matters critical to ConocoPhillips' operations, enable her to provide valuable insight into our policies and practices.

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Gay Huey Evans, OBE

Deputy Chairman, Financial Reporting Council

Age: 63

Director Since: March 2013

ConocoPhillips Committees: Audit and Finance Committee Public Policy Committee

Ms. Huey Evans currently serves as a non-executive director of Standard Chartered PLC and Itau BBA International Limited. She also currently serves as Deputy Chairman of The Financial Reporting Council, where she is a member of the Nomination Committee; Chair of the Beacon Awards, which celebrate British philanthropy; and a Trustee of Wellbeing of Women, where she is Chair of the Investment Committee. She was formerly Vice Chairman of the Board and Non-Executive Chairman, Europe, of the International Swaps and Derivatives Association, Inc. from 2011 to 2012. She was Vice Chairman, Investment Banking and Investment Management at Barclays Capital from 2008 to 2010. She was previously head of governance of Citi Alternative Investments (EMEA) from 2007 to 2008; and President of Tribeca Global Management (Europe) Ltd. from 2005 to 2007, both part of Citigroup. From 1998 to 2005, she was director of the markets division and head of the capital markets sector at the U.K. Financial Services Authority. She previously held various senior management positions with Bankers Trust Company in New York and London. Ms. Huey Evans previously served on the boards of Aviva plc, The London Stock Exchange Group plc. and Falcon Private Wealth Ltd.

Skills and Qualifications:

Ms. Huey Evans' in-depth knowledge of, and insight into, global capital markets from her extensive experience in the financial services industry brings valuable expertise to ConocoPhillips' businesses.

Ryan M. Lance

Chairman and Chief Executive Officer of ConocoPhillips

Age: 55

Director Since: April 2012

ConocoPhillips Committees: Executive Committee (Chair)

Mr. Lance was appointed Chairman and Chief Executive Officer in May 2012, having previously served as Senior Vice President, Exploration and Production—International, from May 2009. Prior to that he served as President, Exploration and Production—Asia, Africa, Middle East and Russia/Caspian since April 2009, having previously served as President, Exploration and Production—Europe, Asia, Africa and the Middle East, since September 2007. Prior thereto, he served as Senior Vice President, Technology beginning in February 2007, and prior to that served as Senior Vice President, Technology and Major Projects beginning in 2006. He served as President, Downstream Strategy, Integration and Specialty Businesses from 2005 to 2006.

Skills and Qualifications:

Mr. Lance's service as Chairman and Chief Executive Officer of ConocoPhillips makes him well qualified to serve both as a director and Chairman of the Board. Mr. Lance's extensive experience in the industry as an executive in our exploration and production businesses, and as the global representative of ConocoPhillips, make his service as a director invaluable.

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Sharmila Mulligan

Founder and Chief Executive Officer of ClearStory Data Inc.

Age: 52

Director Since: July 2017

ConocoPhillips Committees: Audit and Finance Committee Human Resources and Compensation Committee

Ms. Mulligan is the Founder and Chief Executive Officer of ClearStory Data Inc., a modern data analytics company enabling business-oriented insights from disparate data. Ms. Mulligan has served as ClearStory's Chief Executive Officer since inception in September 2011. From 2009 to 2011, Ms. Mulligan served as Executive Vice President for Aster Data Systems, Inc. until its acquisition by Teradata Corporation. Prior to Aster Data, Ms. Mulligan was a Vice President of Software Solutions for HP Inc. Prior to HP, Ms. Mulligan was Executive Vice President of Products and Marketing at Opsware Inc. from 2002 until its eventual acquisition by HP in 2007. Prior to Opsware Inc., Ms. Mulligan led Product Management and held Vice President positions at Netscape Communications, Microsoft, and General Magic. Ms. Mulligan is on the board of Lattice Engines, Inc. and an advisor to and investor in numerous enterprise software and consumer technology companies.

Skills and Qualifications:

Ms. Mulligan's experience in cloud computing, scalable data analytics and a broad range of big data technologies plus Internet of Things and Artificial Intelligence innovation adds exceptional value to the Board. Her experience as a CEO enables her to provide the Board with beneficial strategic leadership qualities.

Arjun N. Murti

Senior Advisor at Warburg Pincus

Age: 49

Director Since: January 2015

ConocoPhillips Committees: Audit and Finance Committee Public Policy Committee

Mr. Murti is Senior Advisor at Warburg Pincus. He previously served as a Partner at Goldman Sachs from 2006 to 2014. Prior to becoming Partner, he served as Managing Director from 2003 to 2006 and as Vice President from 1999 to 2003. During his time at Goldman Sachs, Mr. Murti worked as a sell-side equity research analyst covering the energy sector. He was co-director of equity research for the Americas from 2011 to 2014. Previously, Mr. Murti held equity analyst positions at JP Morgan Investment Management from 1995 to 1999 and at Petrie Parkman from 1992 to 1995.

Skills and Qualifications:

Mr. Murti brings to the Board a deep understanding of financial oversight and accountability with his experience as a Partner at Goldman Sachs, one of the largest banking institutions. He has spent more than 25 years in the financial services industry with an extensive focus, both domestic and global, on the energy industry. This experience provides the Board valuable insight into financial management and analysis.

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Age: 55

Director Since: February 2010

ConocoPhillips Committees: Human Resources and Compensation Committee (Chair)
Committee on Directors' Affairs
Executive Committee

Other current U.S. public company directorships:

Lowe's Companies, Inc.

Robert A. Niblock

Chairman, President and Chief Executive Officer of Lowe's Companies, Inc.

Mr. Niblock is Chairman, President and Chief Executive Officer of Lowe's Companies, Inc. He has served as Chairman and CEO of Lowe's Companies, Inc. since January 2005 and he reassumed the title of President in 2011, after having served in that role from 2003 to 2006. Mr. Niblock became a member of the board of directors of Lowe's when he was named Chairman- and CEO-elect in 2004. Mr. Niblock joined Lowe's in 1993 and, during his career with the company, has served as Vice President and Treasurer, Senior Vice President, and Executive Vice President and CFO. Before joining Lowe's, Mr. Niblock had a nine-year career with accounting firm Ernst & Young. Mr. Niblock has been a member of the board of directors of the Retail Industry Leaders Association since 2003, and has served as its Secretary since 2012. He previously served as its chairman in 2008 and 2009 and as vice chairman in 2006 and 2007.

Skills and Qualifications:

The Board values his experience as a CEO and in financial reporting matters. Mr. Niblock's experience as an actively-serving CEO of a large public company allows him to provide the Board with valuable operational and financial expertise.

Age: 71

Director Since: July 2005

ConocoPhillips Committees: Human Resources and Compensation Committee
Committee on Directors' Affairs (Chair)
Executive Committee

Harald J. Norvik, Lead Director (Effective as of May 14, 2018)

Former Chairman, President and Chief Executive Officer of Statoil

Mr. Norvik currently serves on the board of Umoe ASA and as a member of the Nominating Committee of Petroleum Geo-Services ASA. He previously served on the board of Petroleum Geo-Services ASA from 2004 to 2016, serving as Vice Chairperson from 2009 to 2016, and served on the board of Deep Ocean Group from 2011 to 2017, the last year as Chairman. He was Chairman and a partner at Econ Management AS from 2002 to 2008 and was a strategic advisor there from 2008 to 2010. He served as Chairman of Aschehoug ASA from 2003 to 2014; as Chairman of the Board of Telenor ASA from 2007 to 2012; and as Chairman, President & CEO of Statoil from 1988 to 1999.

Skills and Qualifications:

As a former CEO of an international energy corporation, Mr. Norvik brings valuable experience and expertise in industry and operational matters. In addition, Mr. Norvik provides valuable international perspective as a person conducting business in Norway, a country in which ConocoPhillips has significant operations.

FOR The Board recommends you vote **FOR** each nominee standing for election as director.

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The Audit and Finance Committee (the "Audit Committee") assists the Board in fulfilling its responsibility to provide independent, objective oversight for ConocoPhillips' financial reporting functions and internal control systems.

The Audit Committee currently consists of six non-employee directors. The Board has determined that each member of the Audit Committee satisfies the requirements of the NYSE as to independence and financial literacy. The Board has determined that at least one member, John V. Faraci, is an audit committee financial expert as defined by the SEC.

The responsibilities of the Audit Committee are set forth in the written charter adopted by the Board and last amended on December 8, 2017. The charter is available on our website at *www.conocophillips.com* under "*Investors Corporate Governance*."

The Audit Committee's responsibilities include:

> Discussing with management, the independent auditors, and the internal auditor the integrity of ConocoPhillips' accounting policies, internal controls, financial statements, financial reporting practices, and select financial matters, including capital structure, financial risk management, retirement plans, and tax planning;
> Reviewing significant corporate risk exposures and steps management has taken to monitor, control, and report such exposures;
> Reviewing the qualifications, independence, and performance of the independent auditors and the qualifications and performance of ConocoPhillips' internal auditors;
> Reviewing ConocoPhillips' overall direction and compliance with legal and regulatory requirements and internal policies; and
> Maintaining open and direct lines of communication with the Board and management, our Compliance and Ethics Office, the internal auditors, and the independent auditors.

Management is responsible for preparing ConocoPhillips' financial statements in accordance with generally accepted accounting principles, or GAAP, and for developing, maintaining and evaluating our internal controls over financial reporting and other control systems. The independent registered public accountant is responsible for auditing the annual financial statements prepared by management, assessing the internal control over financial reporting, and expressing an opinion with respect to each.

One of the Audit Committee's primary responsibilities is to assist the Board in its oversight of the integrity of ConocoPhillips' financial statements. The following report summarizes certain of the Audit Committee's activities in this regard for 2017.

Review with Management. The Audit Committee reviewed and discussed with management the audited consolidated financial statements included in ConocoPhillips' Annual Report on Form 10-K for the year ended December 31, 2017, which included a discussion of the quality—not just the acceptability—of the accounting principles, the reasonableness of significant judgments, and the clarity of the disclosures. The Audit Committee also discussed management's assessment of the effectiveness of our internal control over financial reporting as of December 31, 2017, included in the financial statements.

Discussions with Internal Audit. The Audit Committee reviewed ConocoPhillips' internal audit plan and discussed the results of internal audit activity throughout the year. ConocoPhillips' General Auditor met with the Audit Committee at every in-person meeting in 2017 and was available to meet without management present at each of these meetings.

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Discussions with the Independent Registered Public Accounting Firm. The Audit Committee met throughout the year with Ernst & Young LLP ("EY"), ConocoPhillips' independent registered public accounting firm, including meeting with EY at each in-person meeting without management present. The Audit Committee has discussed with EY the matters required to be discussed by standards of the Public Company Accounting Oversight Board, or PCAOB. The Audit Committee has received the written disclosures and the letter from EY required by PCAOB rules, and has discussed with that firm its independence from ConocoPhillips. In addition, the Audit Committee considered the non-audit services EY provides to ConocoPhillips, and concluded that the auditor's independence has been maintained.

Recommendation to the ConocoPhillips Board of Directors. Based on its review and discussions noted above, the Audit Committee recommended to the Board of Directors that the audited financial statements be included in ConocoPhillips' Annual Report on Form 10-K for the year ended December 31, 2017.

THE CONOCOPHILLIPS AUDIT AND FINANCE COMMITTEE

John V. Faraci, *Chairman*
Charles E. Bunch
C. Maury Devine
Gay Huey Evans
Sharmila Mulligan
Arjun N. Murti

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WHAT ARE THE AUDIT COMMITTEE'S RESPONSIBILITIES WITH RESPECT TO THE INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM?

The Audit Committee is directly responsible for the appointment, compensation, retention, and oversight of the independent registered public accounting firm retained to audit our financial statements, and has the authority to determine whether to retain or terminate the independent auditor.

The Audit Committee reviews the experience and qualifications of the senior members of the independent auditor's team and is directly involved in the appointment of the lead audit partner. Neither the lead audit partner nor the reviewing audit partner perform audit services for ConocoPhillips for more than five consecutive fiscal years. The Audit Committee also is responsible for determining and approving the audit engagement fees and other compensation associated with retaining the independent auditor.

The Audit Committee has evaluated the qualifications, independence, and performance of EY and believes that continuing to retain EY to serve as our independent registered public accounting firm is in the best interests of ConocoPhillips' stockholders.

WHAT SERVICES DOES THE INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM PROVIDE?

Audit services of EY for fiscal year 2017 included an audit of our consolidated financial statements, an audit of the effectiveness of our internal control over financial reporting, and services related to periodic filings made with the SEC. Additionally, EY provided certain other services as described below.

HOW MUCH WAS THE INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM PAID FOR 2017 AND 2016?

EY's fees for professional services totaled $15.9 million for 2017 and $13.8 million for 2016. EY's fees for professional services included the following:

> **Audit Fees**—fees for audit services, which related to the fiscal year consolidated audit, the audit of the effectiveness of internal controls, quarterly reviews, registration statements, comfort letters, statutory and regulatory audits, and related accounting consultations, were $12.6 million for 2017 and $12.3 million for 2016.

> **Audit-Related Fees**—fees for audit-related services, which consisted of audits in connection with benefit plan audits, other subsidiary audits, special reports, asset dispositions, and related accounting consultations, were $2.4 million for 2017 and $1.2 million for 2016.

> **Tax Fees**—fees for tax services, which consisted of tax compliance services and tax planning and advisory services, were $0.9 million for 2017 and $0.4 million for 2016.

> **All Other Fees**—fees for other services were negligible in 2017 and 2016.

The Audit Committee has considered whether the non-audit services provided to ConocoPhillips by EY impaired EY's independence and concluded they did not.

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WHO REVIEWS THESE SERVICES AND FEES?

The Audit Committee has adopted a pre-approval policy that provides guidelines for the audit, audit-related, tax, and other non-audit services that EY may provide to ConocoPhillips. The policy (a) identifies the guiding principles that must be considered by the Audit Committee in approving services to ensure that EY's independence is not impaired; (b) describes the audit, audit-related, tax, and other services that may be provided and the non-audit services that are prohibited; and (c) sets forth pre-approval requirements for all permitted services. Under the policy, all services to be provided by EY must be pre-approved by the Audit Committee. The Audit Committee has delegated authority to review and approve services to its Chair. Any such approval must be reported to the entire committee at the next scheduled Audit Committee meeting.

WILL A REPRESENTATIVE OF ERNST & YOUNG BE PRESENT AT THE MEETING?

One or more representatives of EY will be present at the Annual Meeting. The representative(s) will have an opportunity to make a statement and will be available to respond to appropriate questions from stockholders.

WHAT VOTE IS REQUIRED TO APPROVE THIS PROPOSAL?

Approval of this proposal requires the affirmative vote of a majority of the shares present and entitled to vote on the proposal. If the appointment of EY is not ratified, the Audit Committee will reconsider the appointment.

FOR The Audit and Finance Committee recommends you vote **FOR** the ratification of the appointment of Ernst & Young LLP as ConocoPhillips' independent registered public accounting firm for fiscal year 2018.

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ConocoPhillips is providing stockholders with the opportunity to vote on an advisory resolution, commonly known as "Say on Pay," considering approval of the compensation of ConocoPhillips' Named Executive Officers.

The HRCC, which is responsible for the compensation of our executive officers, has overseen the development of a compensation program designed to attract, retain and motivate executives who enable us to achieve our strategic and financial goals. The *"Compensation Discussion and Analysis"* and the tabular disclosures regarding Named Executive Officer compensation, together with the accompanying narrative disclosures, explain the trends in compensation and application of our compensation philosophies and practices for the years presented.

The Board believes that ConocoPhillips' executive compensation program aligns the interests of our executives with those of our stockholders. Our compensation program is guided by the philosophy that ConocoPhillips' ability to responsibly deliver energy and provide sustainable value is driven by superior individual performance. The Board believes we must offer competitive compensation to attract and retain experienced, talented and motivated employees. In addition, the Board believes employees in leadership roles within the organization are motivated to perform at their highest levels when performance-based pay constitutes a significant portion of their compensation. The Board believes that our philosophy and practices have resulted in executive compensation decisions that are aligned with company and individual performance, are appropriate in value, and have benefited ConocoPhillips and its stockholders.

WHAT IS THE EFFECT OF THIS RESOLUTION?

Because your vote is advisory, it will not be binding upon the Board. However, the HRCC and the Board will take the outcome of the vote into account when considering future executive compensation arrangements.

WHAT VOTE IS REQUIRED TO APPROVE THIS PROPOSAL?

Approval of this proposal requires the affirmative vote of a majority of the shares present in person or represented by proxy at the Annual Meeting and entitled to vote on the proposal.

FOR The Board recommends you vote **FOR** the advisory approval of the compensation of ConocoPhillips' Named Executive Officers.

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Role of the Human Resources and Compensation Committee

AUTHORITY AND RESPONSIBILITIES

The Human Resources and Compensation Committee (the "HRCC") is responsible for providing independent, objective oversight for ConocoPhillips' executive compensation programs and for determining the compensation of our "Senior Officers." Our internal guidelines define a Senior Officer as an employee who is a senior vice president or higher, any executive who reports directly to the CEO, or any other employee considered an officer under Section 16(b) of the Securities Exchange Act of 1934. As of December 31, 2017, ConocoPhillips had 14 Senior Officers. In addition, the HRCC acts as administrator of the compensation programs and certain of the benefit plans for Senior Officers and as an avenue of appeal for current and former Senior Officers disputing compensation or certain benefits. Finally, the HRCC assists the Board in overseeing the integrity of ConocoPhillips' executive compensation practices and programs described in the *"Compensation Discussion and Analysis"* beginning on the next page.

A complete listing of the authority and responsibilities of the HRCC is set forth in the written charter adopted by the Board and last amended on February 17, 2016, which is available on our website at *www.conocophillips.com under "Investors > Corporate Governance."*

MEMBERS

The HRCC currently consists of four members. All members must meet the independence requirements for "non-employee" directors under the Securities Exchange Act of 1934, for "independent" directors under the NYSE listing standards, and for "outside" directors under the Internal Revenue Code. The members of the HRCC and the member to be designated as Chair are reviewed and recommended annually by the Committee on Directors' Affairs to the full Board.

MEETINGS

The HRCC holds regularly scheduled meetings in association with each regular Board meeting and meets by teleconference between such meetings as necessary. In 2017, the HRCC had eight meetings. The HRCC reserves time at each regularly scheduled meeting to review matters in executive session with no members of management or management representatives present except as specifically requested by the HRCC. Additionally, the HRCC meets with the Lead Director at least annually to evaluate the performance of the CEO. More information regarding the HRCC's activities at such meetings appears in the *"Compensation Discussion and Analysis"* beginning on the next page.

CONTINUOUS IMPROVEMENT

The HRCC is committed to a process of continuous improvement in exercising its responsibilities. To that end, the HRCC:

> Routinely receives training regarding best practices for executive compensation;

> With the assistance of management and consultants, independent compensation consultants, and, when deemed appropriate, independent legal counsel, regularly reviews its responsibilities and governance practices in light of ongoing changes in the legal and regulatory arena and trends in corporate governance;

> Annually reviews its charter and proposes any desired changes to the Committee on Directors' Affairs for recommendation to the Board;

> Annually conducts an assessment of its performance that evaluates the effectiveness of its actions and seeks ideas to improve its processes and oversight; and

> Regularly reviews and assesses whether our executive compensation programs are having the desired effects without encouraging an inappropriate level of risk.

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This Compensation Discussion and Analysis describes the material elements of the compensation of our Named Executive Officers ("NEOs") and describes the objectives and principles underlying ConocoPhillips' executive compensation programs, the compensation decisions we have recently made under those programs, and the factors we considered in making those decisions.

Our NEOs for 2017 were:

Ryan M. Lance

Chairman and CEO

Donald E. Wallette, Jr.

EVP, Finance, Commercial, and CFO

Matthew J. Fox

EVP, Strategy, Exploration and Technology

Alan J. Hirshberg

EVP, Production, Drilling and Projects

Janet Langford Carrig

SVP, Legal, General Counsel, and Corporate Secretary

For an overview of ConocoPhillips and our operations, see page 5 of our *Proxy Summary*

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A Letter from Our Human Resources and Compensation Committee

We were determined to understand your perspectives, and we have made constructive changes in response

"Demonstrating Pay and Performance Alignment"

DEAR STOCKHOLDERS,

As members of the ConocoPhillips Human Resources and Compensation Committee, our most important responsibility is to ensure that our executive compensation programs align with the interests of our stockholders and adhere to our pay-for-performance philosophy, while allowing us the flexibility to attract, retain and incentivize executives to execute ConocoPhillips' long-term strategy. The disappointing outcome of our 2017 Say on Pay vote was a message that our stockholders had concerns with certain aspects of our executive compensation programs. We were determined to understand your perspectives, and we have made constructive changes in response.

Following the 2017 Say on Pay vote, our Lead Director, Richard H. Auchinleck, and HRCC Chairman, Robert A. Niblock, met in person with stockholders representing approximately 37% of ConocoPhillips' outstanding stock to better understand the specific stockholder concerns with our executive compensation programs and to solicit feedback on a number of changes the HRCC was considering. Senior management conducted additional stockholder engagements. In total, we conducted engagement meetings with stockholders representing more than 42% of our outstanding stock.

After aggregating the stockholder feedback, sharing it with the full Board, and deliberating as a committee, we made substantive and responsive changes to our executive compensation programs and the related disclosures in this Proxy Statement. These changes, which reflect the thoughtful and constructive insights we received from our stockholders, are summarized below:

> Increased transparency around targets, results and payouts for the annual and long-term incentive programs; *See pages 66-70*
> Disclosed payout matrix used to assess performance for relative metrics; *See pages 65, 67 and 70*
> Reduced the complexity in the annual incentive program; *See pages 61-64*
reevaluated the performance metrics for the NEOs and reduced them to five key focus areas (Health, Safety, and Environmental (HSE), Operations, Financial, Strategic Milestones and Total Shareholder Return) which better reflect overall corporate performance and incentivize successful execution of our strategy
> Increased the weighting of 2018 performance-based long-term incentives and adjusted mix; *See page 72*
increased the weighting of performance shares from 60% to 65%
replaced stock options in 2018 with time-vested restricted stock units weighted at 35%
> Improved disclosures in the *Compensation Discussion and Analysis*
explained the link between compensation program metrics and ConocoPhillips strategy; *See pages 50-52 and 61-64*
enhanced disclosure on rationale for peer group selection; *See pages 58-61*
increased disclosure on CEO target compensation benchmarking; *See pages 58-60*

We have listened to stockholder concerns and taken significant steps to address them and improve our overall compensation programs. We are committed to the ongoing evaluation and improvement of our executive compensation programs to further enhance alignment with the interests of our stockholders. We welcome the opportunity to engage, and encourage you to reach out with any questions or concerns related to our programs. Correspondence can be addressed to the Human Resources and Compensation Committee care of the Corporate Secretary, as set forth on page 16 of this Proxy Statement.

Sincerely,

The ConocoPhillips Human Resources and Compensation Committee

Robert A. Niblock, Chairman
Richard H. Auchinleck
John V. Faraci
Harald J. Norvik

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Executive Overview

2017 Compensation Program Structure

Each year the HRCC, advised by its independent compensation consultant, undertakes a rigorous process to set and review executive compensation. The HRCC believes a substantial portion of our executive compensation should be focused on long-term performance and equity-based to reward sustained performance and to ensure the interests of our top executives are aligned with those of our stockholders.

Our four primary executive compensation programs are designed to provide a target value for compensation that is competitive with our peers and will attract and retain the talented executives necessary to manage a large and complex organization such as ConocoPhillips. The following chart summarizes the principal components of executive compensation and the performance drivers of each element.

2017 Element of Pay	Overview	Key Benchmarks/Performance Metrics
Annual		
Salary	Fixed cash compensation to attract and retain executives and balance at-risk compensation Limit: Salary grade minimum / maximum	Benchmarked to compensation peer group average of the integrated and independent median and to *Fortune* 100 Industrials; adjusted for experience, responsibility, performance and potential
Variable Cash Incentive Program (“VCIP”)	Variable annual cash compensation to motivate and reward executives for achieving annual goals and strategic milestones that are critical to our strategic priorities Limit: 0% - 200% of target for corporate performance, plus/minus individual adjustments	Health, Safety & Environmental (20%) Financial - Relative Adjusted ROCE/CROCE (20%) Operational (20%) Strategic Milestones (20%) Relative TSR (20%) Measured over a one-year performance period and aligned with our strategic priorities
Long-Term Incentive Program (“LTIP”)		
	Variable long-term equity-based compensation to motivate and reward executives for achieving multi-year strategic priorities Granted at beginning of performance period with final cash payout based on HRCC assessment of progress toward pre-established corporate performance metrics and stock price on the settlement date Limit: 0% - 200% of target, inclusive of corporate performance and individual adjustments	Relative TSR (50%) Financial – Relative Adjusted ROCE/CROCE (30%) Strategic Objectives (20%) Measured over a three-year performance period and aligned with our strategic priorities
	Variable long-term equity-based compensation to encourage absolute performance and long-term value	Long-term stock price appreciation

creation over a performance period
of up to ten years

Limit: 0% - 100% of target

* Effective with equity grants in 2018, the HRCC approved replacing stock options with three-year, time-vested restricted stock units at a weight of 35% and increasing the weighting of performance shares to 65%. For more information, see "*Changes to Our Long-Term Incentive Programs for 2018*" beginning on page 72.

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2017 Say on Pay Vote Result, Stockholder Engagement and Board Responsiveness

ConocoPhillips regularly engages in dialogue with stockholders to continue to reinforce our understanding of stockholder views regarding our compensation programs. The Board and the HRCC value these discussions and also encourage stockholders to provide feedback about our executive compensation programs as described under "*Communications with the Board of Directors*."

HISTORIC SAY ON PAY SUPPORT

Our executive compensation programs have historically received strong stockholder support (averaging over 90 percent in the three years prior to 2017). Following the challenging conditions of the industry downturn, a number of stockholders expressed concern about the complexity of our compensation programs and related disclosures. This concern was reflected in the 32 percent stockholder support for our 2017 Say on Pay vote.

STOCKHOLDER ENGAGEMENT IN RESPONSE TO 2017 SAY ON PAY OUTCOME

In response to the 2017 Say on Pay vote outcome, and in line with our commitment to ongoing stockholder engagement, we requested meetings with stockholders representing more than 50 percent of our outstanding stock, and participated in engagement meetings with stockholders representing more than 42 percent of our outstanding stock.

From the ConocoPhillips Board, our Lead Director, Richard H. Auchinleck, and HRCC Chairman, Robert A. Niblock, met in person with stockholders representing approximately 37 percent of ConocoPhillips' outstanding stock to communicate our compensation philosophy and solicit feedback for improvements in our compensation practices.

From ConocoPhillips Management, Ellen R. DeSanctis, Vice President, Investor Relations and Communications; James D. McMorran, Vice President, Human Resources and Real Estate and Facilities Services; Shannon B. Kinney, Deputy General Counsel, Governance, Corporate and Commercial and Chief Compliance Officer; and Lloyd Visser, Global Head, Sustainable Development, accompanied the directors at the in-person meetings and conducted additional stockholder outreach and meetings.

BY THE NUMBERS: STOCKHOLDER ENGAGEMENT IN SPRING AND FALL 2017

All the feedback our stockholders provided was shared with and discussed by the full Board, and the executive compensation feedback was considered as the HRCC approved changes to our executive compensation programs. The following table details what the Board heard throughout the course of these conversations and how we took action to address each concern and make changes responsive to feedback.

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EXECUTIVE COMPENSATION CHANGES IMPLEMENTED IN CONSIDERATION OF STOCKHOLDER FEEDBACK

WHAT WE HEARD	WHAT WE DID
Variable Cash Incentive Program	
Increase transparency around targets and payouts	Disclosed targets and results (pages 66-68) Disclosed payout matrix for relative financial metrics (pages 65 and 67)
Simplify VCIP complexity	Reduced complexity by aligning NEO VCIP metrics to focus on five key areas to better reflect overall corporate performance (pages 61-64)
Long-term Incentive Program	
Increase transparency around targets and payouts	Disclosed payout matrix for relative financial metrics (pages 65 and 70) Disclosed strategic plan objectives (pages 64 and 69-70)
Consider adjusting LTI pay mix	For LTI grants in 2018, increased performance shares from 60% to 65% of LTI mix; replaced stock options with time-vested restricted stock units weighted at 35% of LTI mix (page 72)
Other/Disclosure	
Improve CD&A disclosure	Increased disclosure around targets, results and payouts, as outlined above (pages 66-70) Explained the link between compensation program metrics and ConocoPhillips strategy (pages 50-52 and 61-64) Increased disclosure on rationale for peer group selection (pages 58-61) Increased disclosure on CEO target compensation benchmarking (pages 58-60)
Vague reasons for use of discretion	Will provide clear rationale if discretion is exercised

In addition to the changes above, based on stockholder feedback prior to the 2017 Annual Meeting, we made changes to our Performance Share Program (PSP) that are reflected in the three-year PSP results for the first time in this Proxy Statement. Those changes included (1) changing the metrics for performance shares to increase the weight of relative Total Shareholder Return from 40% to 50% and reduce the weight of Financial/Operational metrics from 40% to 30% Financial; and (2) focusing on two relative financial metrics to further align with stockholder interests.

The HRCC believes these changes are responsive to the views expressed by our stockholders and are consistent with our overall compensation objectives. We will continue our dialogue with stockholders on compensation issues as part of our ongoing engagement.

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2017 Strategic Transformation and Execution

When ConocoPhillips emerged as an independent E&P company in 2012, we set out to deliver a unique, returns-based value proposition through a combination of production and margin growth, with a compelling dividend. These objectives were established based on annual capital expenditures of about $16 billion and relatively high, stable oil prices. We delivered on our commitments to stockholders and met or exceeded our strategic objectives through 2014. However, oil and gas prices began a precipitous decline in late 2014 that continued through 2016, with some rebound in 2017. During the period from 2015 to 2017 we took several transformational actions to position ConocoPhillips for more cyclical and volatile commodity prices. These actions were designed to improve our resilience to lower prices, while still providing investors upside from higher prices.

BRENT PRICE ($/BBL)

The significant actions we took included:

Reduced capex from $17.1B in 2014 to $4.6B in 2017

Reduced adjusted operating costs* from $9.7B in 2014 to $5.9B in 2017

Exited high-cost, low-margin businesses, such as deepwater exploration

Sold >$30B of assets since 2012; ~$16B in 2017

Paid down $7.6B of debt in 2017, reducing year-end debt to $19.7B

Reduced ordinary dividend by 66% in Q1 2016 to a sustainable, through-cycle level; increased dividend by 6% in Q1 2017

Initiated a share buyback program with a $6B authorization; completed $3B through 2017

* Adjusted operating costs is a non-GAAP financial measure. A reconciliation to U.S. GAAP and a discussion of the usefulness and purpose of adjusted operating costs is shown on Appendix A and at *www.conocophillips.com/nongaap*.

See page 5 of the *Proxy Summary* for an overview of ConocoPhillips' operations, size, scope and complexity.

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We announced an updated value proposition in late 2016 focused on creating value through commodity price cycles with a disciplined, returns-focused strategy. In late 2017, we reaffirmed our value proposition to the market. Our value proposition is underpinned by five strategic cash flow allocation priorities that we expect will deliver our goal of **superior returns to stockholders through price cycles**. We believe the following strategic priorities, and our ability to deliver them through cycles, are distinctive and differential among E&P companies.

1
Invest enough capital to sustain production and pay existing dividend;

2
Grow dividend annually;

3
Reduce debt and target 'A' credit rating;

4
Pay out 20 to 30 percent of cash from operations to stockholders annually; and

5
Disciplined investment to expand cash from operations.

Stockholders have responded positively to the updated strategy. Total shareholder return since we announced the renewed value proposition in November 2016 at our 2016 Analyst & Investor Meeting ("AIM") through the end of 2017 was 20.3 percent, exceeding the independent performance peers and the total performance peer average. This TSR was also competitive with the S&P 500 total return of 23 percent for the same time period.

TOTAL SHAREHOLDER RETURN*: 2016 AIM THROUGH YEAR-END 2017

* TSR in this chart is calculated using the closing prices on November 9, 2016 (the day before the 2016 AIM) and the closing prices on December 29, 2017, and assumes common stock dividends paid during the stated period are reinvested.

As we enter 2018, we remain committed to our value proposition and have already taken actions to further advance our strategic priorities. In January we paid down an additional $2.25 billion of debt. In February we announced a 7.5 percent increase in our quarterly dividend and a 33 percent increase in our planned 2018 share buybacks. We took these actions while maintaining discipline on our low cost of supply investment plan.

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Executive Compensation – Strategic Alignment

Our executive compensation programs are designed to align compensation with ConocoPhillips' disciplined, returns-focused strategy and with the long-term interests of our stockholders. Our goal to deliver superior returns to stockholders through price cycles is tied to the five strategic cash flow allocation priorities discussed under *"2017 Strategic Transformation and Execution"* beginning on page 50. Our compensation metrics are directly tied to our strategic priorities, which provide comprehensive and integrated support for our value proposition**.**

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Pay for Performance

Our executive compensation programs closely tie pay to performance that advances our strategic objectives. As shown below, approximately 89% of the CEO's 2017 target pay and approximately 84% of the other NEOs' 2017 target pay was performance-based, with stock-based, long-term incentives making up the largest portion of performance-based pay.

+	+ Performance Shares	+	Stock Options	= Target Value
Annual Incentive		Long-term Incentives		

2017 TARGET COMPENSATION FOR CEO

2017 AVERAGE TARGET COMPENSATION FOR OTHER NEOs

2017 Compensation Metric Highlights

Executive compensation in 2017 reflects performance during both our short- and long-term incentive program periods. Performance highlights in 2017 include:

Achieved top safety performance with improvements on all safety and environmental targets; achieved lowest workforce TRR on record

Exceeded production target by 3%, outperformed capital targets by 11% through scope optimization and cost reductions, and achieved operating and overhead targets that were 8% below 2016

Ranked 3rd Adjusted ROCE/2nd Adjusted CROCE improvement relative to peers

Transformed ConocoPhillips by reducing our exposure to North American natural gas and oil sands assets through dispositions generating ~$16B that increased margins and accelerated debt reduction and share buyback objectives

Ranked 5th overall; outperformed E&Ps and the total peer average

* *TSR is based on a 20-trading day simple average prior to the beginning of a period of time and a 20-trading day simple average prior to the end of the stated period, and assumes common stock dividends paid during the stated period are reinvested.*

See "*Executive Compensation – Strategic Alignment*" on page 52 and "*Process for Determining Executive Compensation*" beginning on page 56 for a description of how our executive compensation metrics are designed to align compensation with ConocoPhillips' disciplined, returns-focused strategy. Also see "*2017 Executive Compensation Analysis and Results*" beginning on page 65 for a discussion and analysis of payout decisions.

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Philosophy and Principles of our Executive Compensation Program

Our goals are to attract, retain, and motivate high quality employees and to maintain high standards of principled leadership so we can responsibly deliver energy to the world and provide sustainable value for our stakeholders, now and in the future.

We believe that:

- Our ability to responsibly deliver energy and to provide sustainable value is driven by superior individual performance;
- A company must offer competitive compensation to attract and retain experienced, talented, and motivated employees;
- Employees in leadership roles are motivated to perform at their highest levels when performance-based pay is a significant portion of their compensation; and
- The use of judgment by the HRCC plays an important role in establishing increasingly challenging corporate performance criteria to align executive compensation with company performance.

To achieve our goals, we implement our philosophy through the following principles:

- Establish target compensation levels that are competitive with the companies that we compete against for executive talent;
- Create a strong link between executive pay and successful execution of our strategy;
- Encourage prudent risk-taking by our executives;
- Motivate performance using compensation to reward specific individual accomplishments;
- Retain talented individuals;
- Maintain flexibility to better respond to the cyclical energy industry; and
- Integrate all elements of compensation into a comprehensive package that aligns goals, efforts, and results throughout the organization.

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Components of Executive Compensation

Our four primary executive compensation components are designed to provide a target value for compensation that is competitive with our peers and will attract and retain the talented executives necessary to manage a large and complex organization such as ConocoPhillips.

BASE SALARY

Base salary is a central component of compensation for all of our salaried employees. Management, with the assistance of its outside compensation consultant, thoroughly examines the scope and complexity of jobs throughout ConocoPhillips and benchmarks the competitive compensation practices for such jobs. As a result of this work, management has developed a compensation scale under which all positions are assigned specific salary grades. For our executives, the base salary midpoint increases as the salary grade increases, but at a lesser rate than increases in overall target incentive compensation percentages. The result is a higher percentage of at-risk compensation as an executive's salary grade rises.

Base salary is important to give employees financial stability for personal planning purposes. There are also motivational and reward aspects to base salary, as base salary can be changed to account for considerations such as assigned roles, responsibilities and duties, experience, individual performance and time in position. We set base salaries to be competitive within our compensation peer group and *Fortune* 100 Industrials. See "*Process for Determining Executive Compensation—Peers and Benchmarking*" beginning on page 58 for a discussion of our position benchmarking exercise.

PERFORMANCE-BASED PAY PROGRAMS

Annual Incentive

All of our employees throughout the world—not only our executives—participate in our annual incentive program, called the Variable Cash Incentive Program ("VCIP"). It is our primary vehicle for recognizing company, business unit, and individual performance for the prior year. We believe that having an annual "at risk" compensation element gives all employees a financial stake in the achievement of our business objectives and motivates them to use their best efforts to ensure the achievement of those objectives. We also believe that one year is a time period over which all participating employees can have the opportunity to establish and achieve their specified goals.

The base VCIP award is weighted equally for corporate and business unit performance for most employees, but the Executive Leadership Team, which includes the Named Executive Officers, only participates in the corporate performance component. See *"Process for Determining Executive Compensation—Performance Criteria"* beginning on page 61 for details regarding performance criteria. The HRCC has discretion to adjust base awards up or down depending on individual performance. This decision is based on the input of the CEO for all Named Executive Officers other than the CEO, and on the HRCC's evaluation of the CEO, conducted jointly with the Lead Director, for the CEO.

Long-Term Incentives

Historically, our primary long-term incentive compensation programs for executives are the Performance Share Program ("PSP") and the Stock Option Program. Fewer than 60 of our current employees participate in these programs.

Prior to 2016, we targeted approximately 50 percent of each long-term incentive award in the form of restricted stock units awarded under the PSP and 50 percent in the form of stock options. In December 2015, the HRCC changed this mix so that beginning in 2016, approximately 60 percent of the long-term incentive award would be in the form of performance-based restricted stock units and 40 percent would be in the form of stock options. The compensation tables that begin on page 78 reflect the new allocation for the awards granted since 2016 and the prior allocation for awards granted before 2016.

In December 2017, in response to stockholder feedback, the HRCC approved an additional change to the mix. Beginning in 2018, approximately 65 percent of the long-term incentive award will be in the form of performance-based restricted stock units and 35 percent will be in the form of time-vested restricted stock units. See "*Changes to Our Long-Term Incentive Programs for 2018*" on page 72 for a more detailed discussion of the changes.

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Performance Share Program

The Performance Share Program rewards executives based on ConocoPhillips' performance and individual performance over a three-year period. Each year the HRCC establishes performance metrics and targets for a new three-year performance period. Thus, performance results in any given year are considered in three overlapping performance periods. Use of a multi-year performance period helps to focus management on longer-term results. PSP award targets are set in shares at the beginning of the performance period and actual payouts based on the HRCC's evaluation of performance are calculated using our stock price after the conclusion of the three-year program. Thus, the value of the performance shares is tied to stock price performance throughout the performance period.

Targets for participants whose salary grades are changed during a performance period are prorated. Changes in salary not accompanied by a change in salary grade do not affect the existing targets.

Each executive's final award under the PSP is subject to a potential positive or negative performance adjustment, up to a maximum PSP payout of 200 percent of target. The adjustment is determined by the HRCC following several detailed reviews of company performance. Final awards are based on the HRCC's evaluation of ConocoPhillips' performance relative to the pre-established performance targets (discussed under *"Process for Determining Executive Compensation—Performance Criteria"*) and of each executive's individual performance. The HRCC reviews and determines compensation for the CEO and considers input from the CEO with respect to the other Named Executive Officers.

Stock Option Program

The Stock Option Program is designed to maximize medium- and long-term stockholder value. The practice under this program is to set option exercise prices no lower than the fair market value of ConocoPhillips stock at the time of the grant. Because an option's value is derived solely from an increase in our stock price, options only reward recipients if our stock appreciates. Options granted in 2017 have three-year vesting provisions and are exercisable for a period of ten years in order to incentivize our executives to increase ConocoPhillips' share price over the long term. Stock options have been replaced with time-vested restricted stock units beginning with 2018 grants.

The combination of the PSP and the Stock Option Program (or time-vested restricted stock units going forward), along with our Stock Ownership Guidelines described under *"Executive Compensation Governance—Alignment of Interests—Stock Ownership and Holding Requirements"* on page 74, provides a comprehensive package of medium- and long-term compensation incentives for our executives that align their interests with those of our long-term stockholders.

Off-Cycle Awards

ConocoPhillips may make awards outside the PSP or the Stock Option Program. No off-cycle awards were made to any of our Named Executive Officers in 2015, 2016 or 2017. Currently, off-cycle awards are generally granted to certain incoming executives for one or more of the following reasons: (1) to induce an executive to join ConocoPhillips (occasionally replacing compensation the executive will lose by leaving the prior employer); (2) to induce an executive of an acquired company to remain with ConocoPhillips for a certain period of time following the acquisition; or (3) to provide a pro rata equity award to an executive who joins ConocoPhillips during an ongoing performance period for which the executive is ineligible under the standard PSP or Stock Option Program provisions. In these cases, the HRCC has sometimes approved a shorter period for restrictions on transfers of restricted stock units than those issued under the PSP or Stock Option Program. Any off-cycle awards to Senior Officers must be approved by the HRCC.

Process for Determining Executive Compensation

Our executive compensation programs take into account market-based compensation for executive talent; internal pay equity among our employees; ConocoPhillips' past practices; corporate, business unit and individual results; and the talents, skills and experience that each individual executive brings to ConocoPhillips. Our Named Executive Officers each serve without an employment agreement. All compensation for these officers is set by the HRCC as described below.

RISK ASSESSMENT

ConocoPhillips has considered the risks associated with each of its executive and broad-based compensation programs and policies. As part of the analysis, we considered the performance measures we use, as well as the different types of compensation, varied performance measurement periods, and extended vesting schedules utilized under each incentive compensation program. As a

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result of this review, management concluded the risks arising from our compensation policies and practices are not reasonably likely to have a material adverse effect on ConocoPhillips. As part of the Board's oversight of ConocoPhillips' risk management programs, the HRCC conducts a similar review with the assistance of its independent compensation consultant. The HRCC agrees with management's conclusion that the risks arising from our compensation policies and practices are not reasonably likely to have a material adverse effect on ConocoPhillips.

HUMAN RESOURCES AND COMPENSATION COMMITTEE

The HRCC annually reviews and determines compensation for the CEO and for each of the Named Executive Officers. This comprehensive process begins in February, when performance targets and target compensation are established, and continues through the following February, when final incentive program payouts are determined. During this annual process, illustrated in the diagram below, the HRCC makes critical decisions on competitive compensation levels; program design; performance targets; corporate, business unit and individual performance; and appropriate pay adjustments necessary to reflect short- and long-term performance.

The HRCC believes that increasingly challenging performance metrics best assess ConocoPhillips' performance relative to its strategy as an independent E&P company. Increasingly challenging targets can mean year-over-year performance target increases for safety, efficiency, emission reductions, unit cost targets, and margins. However, it can also mean the same or lower performance targets, recognizing the changing commodity price environment. For example, delivering flat production targets following significant capital and operating cost reductions, or establishing production targets below those set in prior years after significant asset dispositions, would be considered "increasingly challenging."

Compensation decisions reflect input from the HRCC's independent consultant and ConocoPhillips' consultant, stockholders, and management. Among other things, the HRCC considers annual benchmark data provided by the consultants, dialogue with our largest stockholders, and four in-depth management reviews of ongoing corporate performance. This comprehensive and rigorous process allows the HRCC to make informed decisions and adjust compensation positively or negatively, although VCIP, PSP and stock option awards may never exceed 250 percent, 200 percent and 100 percent of target, respectively.

HRCC ANNUAL COMPENSATION CYCLE

First Performance Review Independent third party benchmarks CEO pay and reviews market trends	Compensation program risk analysis Review market best practices and initial program design concept Initial stockholder outreach	Stockholder feedback shared with HRCC/Board Program design approved **Second performance review**	**Third and fourth performance reviews** Independent third party review of peer target compensation and payouts Approve incentive payouts Approve performance targets and target compensation	Stockholder outreach; feedback shared with the HRCC/Board Annual stockholder vote

MANAGEMENT

ConocoPhillips' Human Resources department supports the HRCC in the execution of its responsibilities and manages the development of the materials for each committee meeting, including market data, individual and company performance metrics, and compensation recommendations. The CEO considers performance and makes individual recommendations to the HRCC on base salary, annual incentive and long-term equity compensation with respect to Senior Officers, including all Named Executive Officers other than himself. The HRCC reviews, discusses, modifies and approves, as appropriate, these recommendations. No member of the management team, including the CEO, has a role in determining his or her own compensation.

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COMPENSATION CONSULTANTS

The HRCC has the sole authority to retain and terminate any compensation consultant to assist in the evaluation of the compensation of the CEO and the Senior Officers, and has sole authority to approve such consultant's fees and other retention terms. Similarly, the HRCC has authority to retain, terminate and obtain advice and assistance from external legal, accounting or other advisors and consultants.

The HRCC retained FW Cook to serve as its independent executive compensation consultant in 2017. The HRCC has adopted specific guidelines for outside compensation consultants, which (1) require that work done by such consultants other than at the direction of the HRCC be approved in advance by the HRCC; (2) require the HRCC to conduct a review to determine if it is advisable to replace the independent consultant after a period of five years; and (3) prohibit ConocoPhillips from employing any individual who worked on our account for a period of one year after that individual leaves the employ of the independent consultant. FW Cook has provided an annual attestation of its compliance with our guidelines.

Separately, management retained Mercer to, among other things, assist it in compiling compensation data, conducting analyses, providing consulting services, and supplementing internal resources for market analysis.

The HRCC considered whether any conflict of interest exists with either FW Cook or Mercer in light of SEC rules. The HRCC assessed the following factors relating to each consultant in its evaluation: (1) other services provided to us by the consultant; (2) fees paid by us as a percentage of the consulting firm's total revenue; (3) policies or procedures maintained by the consulting firm that are designed to prevent a conflict of interest; (4) any business or personal relationships between the individual consultants involved in the engagement and a member of the HRCC; (5) any ConocoPhillips stock owned by the individual consultants involved in the engagement; and (6) any business or personal relationships between our executive officers and the consulting firm or the individual consultants involved in the engagement. Both FW Cook and Mercer provided the HRCC with appropriate assurances addressing such factors. Based on this information, the HRCC concluded that the work of the consultants did not raise any conflict of interest. The HRCC also took into consideration all factors relevant to FW Cook's independence from management, including those specified in Section 303A.05(c) of the NYSE Listing Manual, and determined that FW Cook is independent, and performs no other services for ConocoPhillips.

PEERS AND BENCHMARKING

With the assistance of our outside compensation consultants, we set our compensation structure and targets by referring to multiple relevant compensation surveys that include large energy companies and other complex organizations. We then compare that information to our salary grade targets (both for base salary and for incentive compensation) and make any changes needed to bring the cumulative target for each salary grade to approximately the 50th percentile for similar positions as indicated by the survey data.

For our Named Executive Officers, we conduct benchmarking, using available data, for each individual position. For example, although we determine compensation targets by benchmarking against other large, publicly-held energy companies, in setting targets for our executives, we also consider broader categories, such as mid-sized, publicly-held energy companies and other large, publicly-held companies outside the energy industry. This position benchmarking exercise relies on peer market data from Mercer. The HRCC's independent consultant, FW Cook, reviews and independently advises on the conclusions reached as a result of this benchmarking.

The HRCC uses two separate categories of primary peer groups in designing our compensation programs: the compensation peer group and the performance peer group. There is considerable overlap between the two peer groups.

The companies in the compensation peer group broadly reflect the industry in which we compete for business opportunities and executive talent, and we believe these peers provide a good indicator of the current range of executive compensation. Performance peers are those companies in our industry in relation to which we believe we can best measure performance by comparing financial and business objectives and opportunities. The companies chosen as compensation and performance peers have several characteristics in common. Specifically, they: are complex organizations; are publicly traded (and not directed by a government or governmental entity); have very large market capitalization; have very large production and reserves; and are competitors for exploration prospects and for the same talent pool of potential employees. See "*Company Overview*" on page 5 for a discussion of ConocoPhillips' size, scope and complexity.

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Compensation and Performance Peers

The following chart shows the companies that we currently consider our peers, together with their production, proved reserves and market capitalization:

Company Name	2016 Production[(1)] (MBOED)	Production as Multiple of COP production	Year-End 2016 Proved Reserves[(1)] (MMBOE)	Proved Reserves as Multiple of COP Proved Reserves	Market Value as of 12/31/16[(2)] ($ billions)	Mark Mult Mark
Exxon Mobil Corporation ("XOM")	4,053	2.6	19,974	3.1	374	
Royal Dutch Shell plc ("RDS.A")	3,668	2.3	13,248	2.1	231	
BP plc ("BP")	3,268	2.1	17,810	2.8	121	
Chevron Corporation ("CVX")	2,594	1.7	11,122	1.7	222	
Total SA	2,452	1.6	11,518	1.8	124	
ConocoPhillips	**1,569**	**1.0**	**6,424**	**1.0**	**62**	
Anadarko Petroleum Corporation ("APC")	793	0.5	1,722	0.3	39	
Occidental Petroleum Corporation ("OXY")	630	0.4	2,406	0.4	54	
Devon Energy Corporation ("DVN")	611	0.4	2,058	0.3	24	
Apache Corporation ("APA")	522	0.3	1,311	0.2	24	
Marathon Oil Corporation ("MRO")	393	0.3	2,096	0.3	15	
Fortune 100 Industrials (for CEO & staff executives)						

(1) Based on publicly available information.
(2) Source: Bloomberg.
Note: ConocoPhillips' 2016 production and proved reserves have not been restated to reflect asset dispositions.

Setting Compensation Targets—Compensation Peer Group

At the February 2017 HRCC meeting, the HRCC reviewed the compensation within the compensation peer group to benchmark the target compensation of ConocoPhillips' Named Executive Officers. In addition, for the CEO and staff executive positions, the HRCC considers the Fortune 100 Industrials (non-financial companies) when setting target compensation. Staff executive positions include executives who have duties not solely or primarily related to our operations, such as finance, legal, accounting and human resources.

As the world's largest independent E&P company, we are uniquely positioned between the larger integrated companies and independent E&P companies in terms of production and proved reserves. This makes it challenging to benchmark target compensation that adequately considers ConocoPhillips' size, scope and scale relative to other independent E&P companies. We are often compared, for compensation purposes, against a set of publicly-traded independent E&P companies, many of which are much smaller and less complex than we are. We include the integrated companies in our compensation peer group given that we compete with them for talent, and they are more similar from a size and complexity perspective than the smallest publicly-traded E&P companies.

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The bubble chart below represents the positioning of ConocoPhillips relative to its selected compensation peer group using 2016 production, market cap as of December 31, 2016, and year-end 2016 proved reserves. The HRCC considered the relative positioning in the process of setting 2017 target compensation for the CEO.

The HRCC's approach to setting target compensation since the spinoff in 2012 is to consider the average of the median target compensation of the integrated companies and the independent companies. Averaging the medians recognizes ConocoPhillips' relative positioning between the integrateds and independents. The HRCC also validated the outcome with the *Fortune* 100 Industrials median.

Mr. Lance has had the same target compensation since 2013. The chart below shows how the HRCC arrived at the CEO's target compensation for that year reflecting the average of the medians methodology.

COMPENSATION PEER GROUP

Bubble size represents market cap (as of 12/31/16)

Note: ConocoPhillips' 2016 production and proved reserves have not been restated to reflect asset dispositions.

AVERAGE OF THE MEDIANS

	Estimated 2013* Targets ($ in thousands)		
	Base	STI Target	Total Compensation
Integrated Peers: Median			
BP			
Chevron			
ExxonMobil			
Shell	$1,907	150%	$16,600
Independent Peers: Median			
Anadarko			
Apache			
Devon			
Occidental	$1,471	168%	$14,850
Average of Integrated & Independent Peers Median	$1,689	159%	$15,725
	$1,700	160%	

* The HRCC included Marathon Oil Corporation with regard to performance periods that include the years 2016 and later.

In reviewing 2017 target compensation for the CEO, the HRCC noted that, since 2013, a number of CEOs within the compensation peer group have retired, and target compensation for the new incumbent was set below the retired CEO's compensation, reducing the peer medians. The HRCC also considered the median target compensation of the *Fortune* 100 Industrials, which was approximately $16 million for 2017. Based on these factors, the HRCC made no changes to the CEO's 2017 target compensation.

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Measuring Performance—Performance Peer Group

The HRCC believes our performance is best measured against both large independent E&P companies and the largest publicly-held, international, integrated oil and gas companies against which we compete in our business operations. Therefore, for our performance-based programs, the HRCC assessed our actual performance for a given period in comparison to the performance peer group.

INTERNAL PAY EQUITY

We believe our compensation structure provides a framework for an equitable compensation ratio among our executives, with higher targets for jobs involving greater duties and responsibilities. Our compensation program is designed so that the individual target level rises as salary grade level increases, with the portion of performance-based compensation rising as a percentage of total targeted compensation. One result of this structure is that an executive's actual total compensation as a multiple of the total compensation of his or her subordinates will increase in periods of above-target performance and decrease in times of below-target performance. The HRCC reviews the compensation of Senior Officers periodically to ensure the equitable compensation of officers with similar levels of responsibilities.

DEVELOPING PERFORMANCE MEASURES

We believe our performance metrics appropriately reflect the performance of ConocoPhillips consistent with our strategy as an independent E&P company. Specifically, the HRCC has approved a balance of metrics, some of which measure performance relative to our peer group and some of which measure progress in executing our strategic milestones and objectives. We have selected multiple metrics, as described herein, because we believe no single metric is sufficient to capture the performance we are seeking to drive. Moreover, reliance on any metric in isolation is unlikely to promote the well-rounded executive performance necessary to enable us to achieve long-term success. The HRCC reassesses performance metrics periodically to confirm that they remain appropriate.

PERFORMANCE CRITERIA

We use corporate performance criteria in determining individual payouts for our NEOs. In addition, our programs contemplate that the HRCC will exercise discretion in assessing individual performance. The HRCC considers all the elements described below before making a final determination. In response to stockholder feedback, the HRCC approved certain metrics for VCIP and PSP and the weight assigned to each metric, consistent with our strategy and focus as an independent E&P company. This is reflected in the charts below.

	HSE	Operational	Financial	Strategic Milestones	TSR
VCIP	20%	20%	20%	20%	20%

	TSR	Financial	Strategic Objectives
PSP	50%	30%	20%

Corporate Performance Criteria

We utilize multiple measures of performance in our compensation programs to ensure that no single aspect of performance is driven in isolation. The HRCC approved compensation metrics that are consistent with our strategic cash flow allocation priorities, and therefore align with our goal to deliver superior returns to stockholders through price cycles. See *"2017 Strategic Transformation and Execution"* on pages 50-51 for a discussion of our value proposition and strategic priorities. The HRCC determines the ultimate payout of our programs based on how well ConocoPhillips achieves the targets set for these metrics. The compensation metrics, and how they align with our strategic priorities and desired outcomes, are described below.

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Health, Safety and Environmental (“HSE”) (VCIP and PSP)

Everything we do depends on safely executing our business plans and operating to high standards of HSE stewardship. We view this as our fundamental license to operate. We have a comprehensive HSE program across our entire company, which includes criteria for process and personal safety. We include relative Total Recordable Rate and absolute Process Safety Events in our compensation metrics to reinforce our commitment to be an industry leader in HSE, drive continuous HSE improvement, and provide accountability for HSE at all levels of the organization, including among our senior leaders.

Total Recordable Rate is a measure of the rate of recordable injury cases in a year. Process Safety Events refers to the control of process hazards in a facility with the potential to impact people, property or the environment. This includes the prevention, control and mitigation of unintentional releases of hazardous material or energy from primary containment. We invest significant resources and provide focused attention to continually improve our safety culture and performance across the entire company.

Operational (VCIP only)

As an E&P company, strong operational performance is essential for delivering on our commitments to stockholders. Our operational compensation metrics include absolute targets for production, capital expenditures, operating and overhead costs, and operational milestones.

Our primary source of revenue and cash flow is the sale of our produced oil and gas. Therefore, we set an annual production target and we measure the achievement of production results against the approved target. Importantly, our annual production target is tied to annual targets for capital expenditures, operating and overhead costs, and operational milestones. This is designed to ensure that we don’t inadvertently incentivize actions, such as growing at all costs, that are misaligned with our strategic priorities. Effective capital and operating cost management also helps us achieve a low cost of supply portfolio in support of our returns-focused strategy. The operational targets are also designed to create alignment within our workforce around delivering business plans while maintaining discipline.

Our operational milestones are intended to drive a focus on key actions or decisions that support delivery of our plan. In North America, 2017 operational milestones included executing the Lower 48 unconventional development program and unconventional growth (Eagle Ford, Permian, Powder River Basin, Niobrara) and progressing Alaska projects (GMT 1 and 1H NEWS) and the Canada Montney program. In Europe, milestones included development activities for Greater Ekofisk, J-Area, Clair Ridge and Aasta Hansteen. In Asia Pacific and Middle East there were milestones for APLNG and executing appraisal drilling programs for Barossa in Australia, and the non-operated Bohai Phase 3 project in China. Finally, there were two exploration milestones related to resource discoveries.

Financial (VCIP and PSP)

The financial metrics in our compensation programs strongly align with our returns-focused strategy and are core to delivering our value proposition of superior returns through cycles. Furthermore, based on observation and analysis, we believe that our financial compensation metrics also strongly correlate to total shareholder returns, and thus value creation for stockholders. We include adjusted ROCE and adjusted CROCE in both our VCIP and PSP programs to ensure that we maintain financial discipline and balance short- and long-term performance.

For VCIP and PSP, our financial compensation metrics include adjusted ROCE and adjusted CROCE based on absolute improvement relative to peers. These are measured from third quarter to third quarter for the relevant period for VCIP and PSP since full-year peer data is not publicly available at the time the HRCC makes its annual assessment of performance.

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Each of the financial metrics are described in more detail below:

Adjusted Return on Capital Employed (ROCE) - ROCE is an important metric for ensuring that ConocoPhillips is efficiently allocating capital. We believe that ROCE is a strong indicator of long-term share price performance, but should also be included in short-term compensation metrics to reinforce discipline and a focus on profitability.

We adjust ROCE to remove the impact of non-operational results and special items that are unusual or nonrecurring. We calculate adjusted ROCE as follows:

adjusted earnings *plus* after-tax interest expense *plus* minority interest	**average capital employed (total equity *plus* total debt)**

Adjusted Cash Return on Capital Employed (CROCE) - Similar to adjusted ROCE, adjusted CROCE measures ConocoPhillips' performance in efficiently allocating capital. However, while adjusted ROCE is based on adjusted earnings, adjusted CROCE is based on cash flow. This is relevant because it measures the ability of our capital investments to generate and expand cash flow consistent with our value proposition. We also adjust CROCE to remove the impact of non-operational results and special items that are unusual or nonrecurring. We calculate adjusted CROCE as follows:

adjusted earnings *plus* after-tax interest expense *plus* minority interest *plus* depreciation, depletion and amortization (DD&A)	**average capital employed (total equity *plus* total debt)**

Strategic Milestones and Objectives (VCIP and PSP)

Delivering on our value proposition requires that we take actions and steward the business in ways that are not exclusively operational or financial in nature. Our strategic milestones and objectives represent specific actions that are critical to implementing our strategy and aligning our workforce. Strategic milestones are set annually for VCIP and objectives are included for each three-year PSP period. We have consistently heard from stockholders that they want a direct link from our stated strategy to metrics in the compensation plans. The strategic milestones and objectives respond to those requests.

For 2017, our strategic milestones included accelerating our value proposition through dispositions, growing our dividend modestly, reducing our debt, repurchasing shares, and improving absolute financial returns.

For the three-year PSP, the strategic objectives included optimizing the portfolio to lower the cost of supply, maintaining financial strength and flexibility, achieving sustainable reductions in cost structure, and improving HSE performance—including sustaining excellence in ESG.

Relative Total Shareholder Return ("TSR") (VCIP and PSP)

We believe our operational, financial and strategic milestones and objectives have a strong, positive correlation to TSR in our sector. Thus, as we pursue these metrics, we expect to achieve superior returns to stockholders; TSR is the best overall indicator of our success. By integrating compensation metrics with strategic priorities, we believe we are strongly aligned with stockholder interests across time periods and through cycles.

We believe it is important to include TSR in both VCIP and PSP because it is the most tangible, visible measure of the value we have created for stockholders during the relevant period. However, TSR has a stronger weighting in the PSP program to more closely align with stockholder performance benchmarks and to discourage short-term actions over long-term value creation.