

CONOCOPHILLIPS  
Form DEF 14A  
March 28, 2016

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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 §.240.14a-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.**

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

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

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

(4) Proposed maximum aggregate value of transaction:

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**Fee paid previously with preliminary materials.**

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(1) Amount Previously Paid:

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

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## Notice of 2016 Annual Meeting of Stockholders

Tuesday, May 10, 2016

**9:00 a.m. (CDT)**

**Omni Houston Hotel at Westside, 13210 Katy Freeway, Houston, Texas 77079**

The 2016 Annual Meeting of Stockholders of ConocoPhillips (the "Company") will be held on Tuesday, May 10, 2016, at 9:00 a.m. (CDT) at the Omni Houston Hotel at Westside, 13210 Katy Freeway, Houston, Texas 77079, for the following purposes:

1. **To elect Directors to serve until the 2017 Annual Meeting (page 16);**
2. **To ratify the appointment of Ernst & Young LLP as the Company's independent registered public accounting firm for 2016 (page 24);**
3. **To provide an advisory approval of the compensation of our Named Executive Officers (page 28);**
4. **To consider and vote on two stockholder proposals (pages 80 through 83); and**
5. **To transact any other business properly coming before the meeting.**

Only stockholders of record at the close of business on March 14, 2016 will be entitled to receive notice of and to vote at the Annual Meeting. For instructions on voting, please refer to the notice you received in the mail or, if you requested a hard copy of the proxy statement, on your enclosed proxy card. A list of stockholders entitled to vote at the meeting will be available for inspection by any stockholder at the offices of the Company in Houston, Texas during ordinary business hours for a period of 10 days prior to the meeting. This list will also be available to stockholders at the meeting.

March 28, 2016

By Order of the Board of Directors

**Janet Langford Carrig**  
Corporate Secretary



**Important Notice Regarding the Availability of Proxy Materials for the 2016 Annual Meeting of Stockholders To Be Held on May 10, 2016: This Proxy Statement and our 2015 Annual Report are available at [www.conocophillips.com/annualmeeting](http://www.conocophillips.com/annualmeeting).**

**We urge each stockholder to promptly sign and return the enclosed proxy card or to use telephone or Internet voting. See " *Questions and Answers About the Annual Meeting and Voting* " for information about voting by telephone or Internet, how to revoke a proxy and how to vote shares in person.**

**ConocoPhillips 2016 PROXY STATEMENT 1**

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## Corporate Governance Matters

The Committee on Directors' Affairs and our Board annually review the Company's governance structure to take 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, posted on the Company's website under the "*Corporate Governance*" caption and available in print upon request (see "*Available Information*" on page 84), address the following matters, among others:

**Proxy Access** Following our 2015 Annual Meeting, at which a proxy access stockholder proposal received the support of a majority of the votes cast, and through the summer and fall of 2015, we engaged in extensive stockholder outreach and discussed proxy access with holders of more than 30% of our shares. Although our stockholders expressed varying views on proxy access generally, and on the specific terms of a proxy access bylaw, many stockholders indicated that they viewed proxy access as an important stockholder right. At the same time, many stockholders expressed concern that stockholders with a small economic interest could abuse proxy access and impose unnecessary costs on our Company. In particular, stockholders expressed support for a reasonable limit on the number of stockholders who could come together to form a nominating group, with a consensus around a 20 stockholder limit, so long as certain related funds were counted as one stockholder for this purpose. In addition, many stockholders expressed support for the principle that a proxy access bylaw provide for a minimum of two candidates, with that principal being more meaningful to stockholders than the percentage of the board used to calculate the number of permitted proxy access candidates. Stockholders expressed general flexibility concerning most other proxy access terms, including counting directors nominated as access candidates who are elected and re-nominated by the Board against the limit on access candidates for a limited number of

years and not permitting proxy access to operate at the same annual meeting for which a nomination notice outside of proxy access has been submitted by another stockholder. Also, stockholders indicated that post-meeting holding requirements would be considered overly restrictive, but that a statement regarding post-meeting intentions that did not require continued ownership was acceptable. On the topic of third-party compensation, a number of stockholders believed that such compensation for a person's nomination or candidacy was acceptable so long as it was disclosed, but those stockholders believed such compensation for service as a director was problematic. The feedback received from stockholders was reported to the Committee on Directors' Affairs and to the full Board. Following a review of corporate governance best practices and trends and our Company's particular facts and circumstances, as well as the views expressed by our stockholders in voting for the stockholder proposal and in the engagement efforts that followed, our Board amended our By-Laws to provide a proxy access right to stockholders. As a result, a stockholder or a group of up to 20 stockholders, owning at least 3% of our shares continuously for three years, may submit nominees for up to 20% of the Board, or two nominees, whichever is greater, for inclusion in our proxy materials, subject to complying with the requirements contained in our By-Laws.

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## Communications with the Board of Directors

The Board of Directors maintains a process for stockholders and interested parties to communicate with the Board. Stockholders and interested parties may write or call our Board of Directors by contacting our Corporate Secretary, Janet Langford Carrig, as provided below:

Relevant communications are distributed to the Board, or to any individual director or directors, as appropriate, depending on the facts and circumstances outlined in the communication. In that regard, the Board has requested that certain items that are unrelated to its duties and responsibilities be excluded, such as: business solicitations or advertisements; junk mail and mass mailings; new product suggestions; product complaints; product inquiries; resumes and other forms of job inquiries; spam; and surveys. In addition, material that is unduly hostile, threatening, illegal or similarly unsuitable will

be excluded. Any communication that is filtered out is made available to any outside director upon request.

Recognizing that director attendance at the Company's annual meeting can provide the Company's stockholders with an opportunity to communicate with Board members about issues affecting the Company, the Company actively encourages its directors to attend the annual meeting. In 2015, all of the Company's directors attended the annual meeting.

## Engagement

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

In an effort to continuously improve ConocoPhillips' governance processes and communications, the Committee on Directors' Affairs adopted Board and Shareholder Communication and Engagement Guidelines in 2015. The Board believes regular communications are an important part of creating an open, candid, and productive dialogue. Executives and management from the Company's global compensation and benefits, legal, investor relations, government affairs and sustainable development groups, among others, regularly meet with stockholders on a variety of topics, including corporate governance, executive compensation and climate change and

sustainability. Management provides regular reports to the Board and its committees regarding the key themes and results of their communications with the Company's stockholders, including typical investor concerns and questions, emerging issues and pertinent corporate governance matters.

Since the Company's last annual meeting, we actively reached out to our top 50 investors and an engagement team consisting of management and subject-matter experts on governance, compensation, and environmental and social issues, conducted in-depth discussions with stockholders representing more than 30 percent of our common stock outstanding. In addition, our engagement team met with many of the stockholders who submitted proposals for inclusion in our Proxy Statement to discuss their concerns and areas of agreement and disagreement. ConocoPhillips gained valuable feedback during these engagements, and this feedback was shared with the Board and its relevant committees.





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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**

**10 of our 11 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 the Company and its stockholders and provides an effective balance between strong Company leadership and oversight by engaged independent directors.**

#### **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 has been effective for some time. Doing so places one person in a position to guide the Board in setting priorities for the Company and in addressing the risks and challenges the Company faces. The Board believes that, while its independent directors bring a diversity of skills

and perspectives to the Board, the Company's CEO, by virtue of his day-to-day involvement in managing the Company, 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 has considered whether the offices of Chairman and CEO should be combined and concluded that doing so continues to be in the best interests of the Company and its stockholders. The Board will continue to reexamine its corporate governance policies and leadership structures on an ongoing basis to ensure that they continue to meet the Company's needs.

#### **Independent Director Leadership**

The Board believes that its current structure and processes encourage its 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, communicating directly with other directors and members of management as each deems appropriate. Moreover, each director is free to suggest agenda items and to raise matters that are not on the agenda at Board and committee meetings.

Our Corporate Governance Guidelines require that the independent directors meet in executive session at every meeting. The Board has designated the Chairman of the Committee on Directors' Affairs, who must be an independent director, as the Lead Director. Richard H. Auchinleck currently serves in this role. As Lead Director, Mr. Auchinleck presides at executive sessions of the independent directors. Each executive session may include, among other things,

(1) a discussion of the performance of the Chairman and CEO, (2) matters concerning the relationship of the Board with the Chairman and CEO and other members of senior management, and (3) 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.

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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, Mr. Auchinleck leads 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 done annually.

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## Board and Committee Evaluations

Each year, the Board performs a rigorous self-evaluation and peer-evaluation. As required by the Company's Corporate Governance Guidelines, the Committee on Directors' Affairs oversees this process. The performance evaluations solicit input from directors regarding the performance and effectiveness of the Board, its committees, and individual directors and provide an opportunity for directors to identify potential improvements.

The Committee on Directors' Affairs reviews the results and feedback from the evaluation process and makes recommendations for improvements as appropriate. The independent Lead Director has individual conversations with each member of the Board and leads a discussion of the evaluation results during an executive session of the Board, providing further opportunity for dialogue and improvement.

This allows for direct feedback by independent directors and enables Mr. Auchinleck, as Lead Director, to speak on their behalf in conversations with management about the Board's role and informational needs. The Board has successfully used this process to evaluate Board and committee effectiveness and identify opportunities to strengthen the Board. Mr. Auchinleck is also available to meet during the year with individual directors about any other areas of interest or concern they may have.

Members of each committee of the Board also complete a detailed questionnaire annually to evaluate how well their respective committee is operating and to make suggestions for possible improvements. The Chair of each committee summarizes the responses and reviews them with their respective committee members.

## Board Independence

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

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

<b>Director</b>	<b>Matters Considered</b>
Richard H. Auchinleck	Ordinary course business transactions with Telus Corporation
Charles E. Bunch	Ordinary course business transactions with Marathon Petroleum Corporation
James E. Copeland, Jr.	Ordinary course business transactions with Time Warner Cable
Jody Freeman	Ordinary course business transactions with Harvard
Gay Huey Evans	Ordinary course business transactions with The Financial Reporting Council and Standard Chartered PLC
Robert A. Niblock	Ordinary course business transactions with Lowe's Companies, Inc.
Harald J. Norvik	Ordinary course business transactions with Petroleum Geo-Services ASA



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## Board Risk Oversight

While the Company's management is responsible for the day-to-day management of risks to the Company, the Board has broad oversight responsibility for the Company's risk management programs. In this oversight role, the Board is responsible for satisfying itself that the risk management processes designed and implemented by the Company's management are functioning as intended, and that necessary steps are taken to foster a culture of risk-adjusted decision-making throughout the organization. In carrying out its oversight responsibility, the Board has delegated to individual Board committees certain elements of its oversight function. In this context, the Board has delegated authority to the Audit and Finance Committee to coordinate oversight of the Company's risk management programs among the Board's committees. As part of

this authority, the Audit and Finance Committee regularly discusses the Company's enterprise risk management policies and facilitates appropriate coordination among Board committees to ensure that our risk management programs are functioning properly. In particular, the Chairman of the Audit and Finance Committee meets with the Chairs of the other Board committees and management each year to discuss the Board's oversight of the Company's risk management programs. 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. Such updates incorporate, among other things, the following risk areas:

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

## Executive Succession Planning and Leadership Development

On an ongoing basis, the Board plans for succession to the position of CEO and other senior management positions, and the Committee on Directors' Affairs oversees this succession planning process. The Human Resources and Compensation Committee assists in succession planning, as necessary, and reviews and makes recommendations to the Board regarding people strategies and initiatives such as

leadership development. To assist the Board, the CEO periodically provides the Board with an assessment of senior executives and their potential to succeed to the position of CEO. In addition, the CEO periodically provides the Board with an assessment of potential successors to other key positions. Succession planning and leadership development remain top priorities of the Board and management.

## 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, including the CEO and CFO. Our Code of Business Ethics and Conduct is designed to help directors, officers and employees 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, investigating concerns,

social media and money laundering. In accordance with good corporate governance practices, we periodically review and revise as necessary the Code of Business Ethics and Conduct. Our Code of Business Ethics and Conduct is posted on our website under the "*Corporate Governance*" caption and any amendments to or waivers from our Code of Business Ethics and Conduct will be posted on our website within four days of this occurrence. Stockholders may also request printed copies of our Code of Business Ethics and Conduct by following the instructions located

under "*Available Information*" on page 84.

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## Related Party Transactions

The Audit and Finance Committee reviews all known transactions, arrangements and relationships (or series of similar or related transactions) in which the Company and our directors and executive officers or their immediate family members participate where the aggregate amount involved exceeds \$120,000. The purpose of this review is to determine whether such related persons have a material interest in the transaction, including an indirect interest. The Company's legal staff, in consultation with the Company's finance

team, is primarily responsible for making these determinations based on the facts and circumstances, and for developing and implementing processes and procedures for obtaining information about related person transactions from directors and executive officers. In 2015, there were no related party transactions in which the Company (or a subsidiary) was a participant and in which any director or executive officer (or their immediate family members) had a direct or indirect material interest.

## Public Policy Engagement

Legislators and regulators govern all aspects of our industry and hold the power to either facilitate or hinder our success. ConocoPhillips' senior leadership and Board of Directors encourage involvement in activities that advance the Company's goals and improve the communities where we work and live. 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, or Spirit PAC, and membership in trade associations. The Public Policy Committee of the Board of Directors has approved policies and guidelines to help

ensure corporate compliance with local, state and federal laws that govern corporate involvement in activities of a political or public policy nature, and all of these activities are carefully managed by the Company's Government Affairs division in order to yield the best business result for ConocoPhillips and to demonstrate 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 [www.conocophillips.com/sustainable-development/our-approach/living-by-our-principles/policies](http://www.conocophillips.com/sustainable-development/our-approach/living-by-our-principles/policies).

## 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 that this approach will enable us to deliver long-term value and satisfaction to our stockholders and 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, and with our SPIRIT Values (Safety, People, Integrity, Responsibility, Innovation and Teamwork). ConocoPhillips has been honored for our sustainable development success. We were included in the *Dow Jones Sustainability North America Index* for the ninth consecutive year and

achieved improvement in our environmental disclosure score from the 2015 CDP Climate Change Survey. Sustainable Development governance includes direction and oversight from the Public Policy Committee of the Board of Directors and senior leadership. The Public Policy Committee oversees our position on public policy issues, including climate change, and on matters that may impact 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 by visiting [www.conocophillips.com/susdev](http://www.conocophillips.com/susdev).

## Board Meetings and Committees

The Board of Directors met five times in 2015. Each director attended at least 75% of the aggregate of:

**The total number of meetings of the Board (held during the period for which he or she has been a director); and**

**The total number of full committee meetings held by all committees of the Board on which he or she served (during the periods that he or she served).**

The Board has five standing committees: the Audit and Finance Committee; the Executive Committee; the Human Resources and



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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 the SEC's regulations, the listing standards of the NYSE and the Company's Corporate Governance Guidelines. Each committee conducts a self-evaluation of its performance on an annual basis as described under "*Board and Committee Evaluations*" on page 7. The charters for our Audit and Finance Committee, Executive Committee, Human Resources and Compensation

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**Board Meetings and Committees continued**

Committee, Committee on Directors' Affairs and Public Policy Committee can be found on ConocoPhillips' website at [www.conocophillips.com](http://www.conocophillips.com) under the "Corporate Governance" caption.

Stockholders may also request printed copies of our Board committee charters by following the instructions located under "Available Information" on page 84.

The current membership and primary responsibilities of the committees are summarized below:

Committee	Primary Responsibilities	Number of Meetings in 2015
<p><b>James E. Copeland, Jr.*</b>  <b>Charles E. Bunch</b>  <b>John V. Faraci</b>  <b>Gay Huey Evans</b>  <b>Arjun N. Murti</b></p>	<p>Discusses with management, the independent auditors, and the internal auditors the integrity of the Company's accounting policies, internal controls, financial statements, financial reporting practices, and select financial matters, covering the Company's capital structure, financial risk management, retirement plans and tax planning.</p> <p>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.</p> <p>Monitors the qualifications, independence and performance of our independent auditors and the qualifications and performance of our internal auditors.</p> <p>Monitors our compliance with legal and regulatory requirements and corporate governance, including our Code of Business Ethics and Conduct.</p> <p>Maintains open and direct lines of communication with the Board and our management, internal auditors, independent auditors and the global compliance and ethics organization.</p>	<p><b>10</b></p>

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

**Ryan M. Lance\***

**1**

**Richard H.**

**Auchinleck**

**James E.**

**Copeland, Jr.**

**Robert A. Niblock**

**Harald J. Norvik**

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 which cannot be delegated to a committee under statute or our Certificate of Incorporation or By-Laws.

**Robert A.**

**8**

**Niblock\***

**Richard H.**

**Auchinleck**

**Jody Freeman**

**Harald J. Norvik**

Oversees our executive compensation policies, plans, programs and practices and reviews the Company's retention strategies.

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

Annually reviews the performance (together with the Lead Director) and sets the compensation of the CEO.

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

**Richard H.**

**6**

**Auchinleck\***

**Richard L.**

**Armitage**

**Robert A. Niblock**

Selects and recommends director candidates to the Board 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 succession planning for the CEO and senior management.

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

**Harald J. Norvik\***  
**Richard L.**  
**Armitage**  
**Jody Freeman**

**5**

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

Assists the Board in the development and review of policies and budgets for charitable and political contributions.

Reviews and makes recommendations to the Board on, and monitors the Company's compliance with, its policies, programs and practices with regard to, among other things, health, safety and environmental protection and government relations.

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 the Company's business and the communities in which it operates.

\*

*Committee Chairperson*

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## **Nominating Processes of the Committee on Directors' Affairs**

The Committee on Directors' Affairs comprises three non-employee directors, all of whom are independent under NYSE listing standards and our Corporate Governance Guidelines. The Committee on Directors' Affairs identifies, investigates and recommends director candidates to the Board with the goal of creating balance of knowledge, experience and diversity. Generally, the Committee on Directors' Affairs identifies candidates through business and organizational contacts of the directors and management and often through third-party search firms. The Committee on Directors' Affairs will also consider director candidates recommended by stockholders. If a stockholder wishes to recommend a candidate for nomination by the Committee on Directors' Affairs, he or she should follow the same procedures described on page 84 for nominations to be made

directly by the stockholder. In addition, the stockholder should provide such other information as it may deem relevant for the Committee on Directors' Affairs' evaluation. Candidates recommended by the Company's stockholders are evaluated on the same basis as candidates recommended by the Company's directors, CEO, other executive officers, third-party search firms or other sources.

The Committee on Directors' Affairs regularly evaluates the size and composition of the Board and continually assesses whether the composition appropriately relates to the Company's strategic needs, which change as our business environment evolves. See "*Board Refreshment and Succession*" on page v.

Our Board of Directors currently has 11 members, 10 of whom are independent. Each of the director nominees is a current director.

**ConocoPhillips** 2016 PROXY STATEMENT 11

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## Non-Employee Director Compensation

The primary elements of our non-employee director compensation program consist of an equity component and a cash component.

### Objectives and Principles

Compensation for directors is reviewed annually by the Committee on Directors' Affairs and set upon approval of the Board of Directors. The Board's goal in designing directors' compensation is to provide a competitive package that will enable it to attract and retain highly-skilled individuals with relevant experience and that 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 delivery to meet the needs of different individuals while

ensuring that a substantial portion of directors' compensation is linked to the long-term success of ConocoPhillips. In furtherance of ConocoPhillips' commitment to be a socially responsible member of the communities in which it participates, the Board believes that it is appropriate to extend ConocoPhillips' matching gift program to charitable contributions made by individual directors as more fully described under "*Directors' Matching Gift Program*" on page 13.

### 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, but contain restrictions on transfer under their terms and conditions. Prior to the grant, each director may elect the schedule on which the restrictions lapse and unrestricted Company stock is to be distributed, provided that restrictions on the units issued to a non-employee director will lapse in the event of retirement, disability, death, or a change of control, unless the director has elected to defer receipt of the shares until a later date. Directors forfeit the units if, prior to the lapse of restrictions, the Board finds sufficient cause for forfeiture (although no such finding can be made after a change of control). Before the restrictions lapse, directors cannot sell or otherwise transfer the units, but the

units are credited with dividend equivalents in the form of additional restricted stock units. When restrictions lapse, directors will receive unrestricted shares of Company stock as settlement of the restricted stock units.

Restricted stock units granted to directors who are not residents of the United States may have modified terms to comply with laws and tax rules that apply to them. Thus, the restricted stock units granted to Messrs. Auchinleck and Norvik have slightly modified 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 office, including upon a change in control.

### Cash Compensation

In 2015, each non-employee director received \$115,000 annual cash compensation. Non-employee directors serving in certain 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**



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The total annual 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 (such unrestricted stock or restricted stock units are issued on the last business day of the month valued using the average of the high and the low market prices of ConocoPhillips common stock on such date), or to have the amount credited to the director's deferred compensation account. The restricted stock units issued in lieu of cash compensation are subject to the same restrictions as the annual restricted stock units granted since 2005 and described under "*Equity Compensation*" above. Due to differences in the tax laws of other countries, the Board, at its July 1, 2003 meeting, approved modification of the compensation for directors who are taxed under the laws of other countries. Effective in 2004, Canadian directors (currently, Mr. Auchinleck) are able to elect to receive cash compensation either in cash or in restricted stock units and 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 described herein are subject to the same restrictions as the annual restricted stock unit grants described under "*Equity Compensation*" above.

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**Deferral of Compensation**

Directors can elect to defer their cash compensation into the Deferred Compensation Program 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 list of investment choices available under the Director Deferral Plan. Mr. Auchinleck (from Canada) and Mr. Norvik (from Norway) do not have the opportunity to defer cash compensation in this manner.

**Directors' Matching Gift Program**

All active and retired directors are eligible to participate in the Directors' Matching Gift Program. Prior to June 1, 2015, this program provided a dollar-for-dollar match of a gift of cash or securities, up to a maximum of \$15,000 per donor for active directors and \$7,500 per donor for retired directors during any one calendar year, 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. Effective June 1, 2015, the Company amended the program to reduce the maximum per donor amounts for active directors to \$10,000 per year and for retired directors to \$5,000 per year for gifts made after that date. Amounts representing the company matching gifts are contained in the *All Other Compensation* column of the *Non-Employee Director Compensation Table*.

**Other Compensation**

The Company provides transportation or reimburses a director for the cost of transportation when a director travels on Company business including to attend meetings of the Board or a committee. Spouses and other guests of directors and executive officers occasionally attend certain meetings at the encouragement of the Board. The Board believes that this creates a collegial environment that enhances the effectiveness of the Board. Given the commodity price environment in 2015, the only such event was a retirement presentation that was attended by the spouse of a retiring director. If spouses or other guests are invited to attend meetings, the Company

reimburses directors for the out of pocket cost of the spousal or other guest travel and related incidental expenses. The Company's reimbursement of the cost of such attendance is treated by the Internal Revenue Service as income, and as such is taxable to the recipient. In May 2014, the Committee on Directors' Affairs eliminated gross-ups to directors of the resulting income taxes on any spousal or other guest expenses arising when a spouse or other guest accompanies a director to a meeting. Amounts representing reportable reimbursements are contained in the *All Other Compensation* column of the *Non-Employee Director Compensation Table*.

**Stock Ownership**

Directors are expected to own Company 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 the guidelines.

Table of Contents**Non-Employee Director Compensation continued****Non-Employee Director Compensation Table**

	<b>Fees Earned or Paid in Cash(1)</b>	<b>Stock Awards(2)(3)</b>	<b>Option Awards</b>	<b>Non-Equity Incentive Plan Compensation</b>	<b>Change in Pension Value and Nonqualified Deferred Compensation on Earnings</b>	<b>All Other Compensation(4)</b>	
age	\$ 125,000	\$ 220,002	\$	\$	\$	\$ 7,500	\$ 35,000
neck	167,786	220,002					38,000
nunch	125,000	220,002				10,000	35,000
and,	140,000	220,002				10,000	37,000
araci	125,000	220,002					34,000
eman	127,500	220,002				4,500	35,000
ey	125,000	220,002				10,000	35,000
Murti	125,334	220,002					34,000
k	140,233	220,002				25,000	38,000
orvik	132,851	220,002					35,000
Wade,							
d)(5)	53,125	220,002				20,573	29,000

(1)

Reflects 2015 annual cash compensation of \$115,000 payable to each non-employee director. In 2015, 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, Niblock and Norvik received 100% of their cash compensation in restricted stock units in 2015 with an aggregate grant date fair value as shown in the table. Mr. Murti received his first month's cash compensation in cash and subsequent month's cash compensation in restricted stock units. All other directors received their cash compensation in cash or deferred such amounts into the Director Deferral Plan. Mr. Wade retired from the Board after the Annual Meeting of Stockholders on May 12, 2015.

(2)

Amounts represent the aggregate grant date fair value of stock awards granted under our non-employee director compensation program. On January 15, 2015, each non-employee director received a 2015 annual grant of restricted stock units with an aggregate value of \$220,000 on the date of grant 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 \$220,002 to each person who was a director on January 15, 2015.

(3)

The following table reflects, for each director, the aggregate number of stock awards outstanding as of December 31, 2015:

Name	Number of Deferred Shares or Units of Stock
R.L. Armitage	28,021
R.H. Auchinleck	96,899
C.E. Bunch	3,699
J.E. Copeland, Jr.	47,130
J.V. Faraci	3,699
J. Freeman	10,536
G. Huey Evans	7,228
A.N. Murti	5,809
R.A. Niblock	25,619
H.J. Norvik	51,209
W.E. Wade, Jr. (retired)(5)	32,795

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The following table lists delivery of director stock awards in 2015:

Name	Stock Awards	
	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.		
J.V. Faraci		
J. Freeman		
G. Huey Evans		
A.N. Murti		
R.A. Niblock		
H.J. Norvik		
W.E. Wade, Jr. (retired)(a)	2,163	111,571

(a)

Mr. Wade received restricted stock unit awards for his service as a director of ConocoPhillips from 2006-2015. As permitted by the terms and conditions of the awards, Mr. Wade elected to receive distributions in the form of unrestricted shares in annual installments, with the first installment paid six months after his retirement.

(4)

The following table reflects, for each director, the items contained in All Other Compensation. None of the directors had aggregate personal benefits or perquisites exceeding \$10,000 in value.

Name	Tax Reimbursement	Matching Gift	Total
	Gross-Up(a)	Amounts(b)	
R.L. Armitage	\$	\$ 7,500	\$ 7,500
R.H. Auchinleck			
C.E. Bunch		10,000	10,000
J.E. Copeland, Jr.		10,000	10,000
J.V. Faraci			
J. Freeman		4,500	4,500
G. Huey Evans		10,000	10,000
A.N. Murti			
R.A. Niblock		25,000	25,000
H.J. Norvik			
W.E. Wade, Jr. (retired)(5)	5,573	15,000	20,573

(a)

*The amounts shown are for payments by the Company relating to certain taxes incurred by the director for imputed income. These occurred when a retirement presentation was made to Mr. Wade, upon his retirement from the Board. The Company has a practice of making gift presentations to its retiring directors, especially those of long service. The fair value of the retirement presentation was \$8,500, and this amount was imputed to Mr. Wade's income. In such circumstances, if the director is imputed income in accordance with the applicable tax laws, the Company will generally reimburse the director for the increased tax costs. All such tax reimbursements have been included above, regardless of whether the corresponding perquisite or personal benefit is required to be reported pursuant to SEC rules and regulations.*

(b)

*The Company 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, effective June 1, 2015 (gifts made earlier in the year could be matched up to \$15,000 under the terms of the program prior to its amendment). Administration of the program can cause more than the limit to be paid in a single fiscal year of the Company, due to processing claims from more than one program year in that single fiscal year. The amounts shown are for the actual payments by the Company in 2015. Mr. Lance is eligible for the program as an executive of the Company, rather than as a director. Information on the value of matching gifts for Mr. Lance is provided on the Summary Compensation Table on page 60 and the notes to that table.*

(5)

*Mr. Wade retired from the Board effective May 12, 2015. The amounts in the tables above include his prorated compensation reflecting the portion of 2015 in which he served as a director.*

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## Item 1 on the Proxy Card

### Election of Directors and Director Biographies

#### **What am I voting on?**

You are voting on a proposal to elect the 11 nominees named in this Proxy Statement to a one-year term as directors of the Company.

#### **What is the makeup of the Board of Directors and how often are the members elected?**

Our Board of Directors currently has 11 members.

Directors are elected at the Annual Meeting of Stockholders every year. Any director vacancies created between annual stockholder meetings (such as by a current director's death, resignation or removal for cause or an increase in the number of directors) may be filled by a majority vote of the remaining directors then in office. Any director appointed in this manner would hold office until the next election. If a vacancy results from an action of our stockholders, only our stockholders would be entitled to elect a successor. Under the Company's Corporate Governance Guidelines, a director does not, as a general matter, stand for re-election after his or her 72nd birthday.

#### **What if a nominee is unable or unwilling to serve?**

This is not expected to occur, as all director nominees have previously consented to serve. However, should a director become unable or unwilling to serve 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 of Directors.

#### **How are directors compensated?**

Please see our discussion of director compensation beginning on page 12.

#### **What criteria were considered by the Committee on Directors' Affairs in selecting the nominees?**

In selecting the 2016 nominees for director, the Committee on Directors' Affairs sought candidates who possess the highest personal and professional ethics, integrity and values, and are committed to representing the long-term interests of all the Company's stakeholders. In addition to reviewing a candidate's background and accomplishments, the Committee on Directors' Affairs reviewed candidates for director in the context of the current composition of the Board and the evolving needs of the Company's businesses. The

Committee on Directors' Affairs also considered the number of boards on which the candidate already serves. It is the Board's policy that at all times at least a substantial majority of its members meets the standards of independence promulgated by the SEC and the NYSE, and as set forth in the Company's Corporate Governance Guidelines. The Committee on Directors' Affairs also seeks to ensure that the Board reflects a range of talents, ages, skills, diversity, and expertise, particularly in the areas of accounting and finance, management, domestic and international markets, leadership, and oil and gas related industries, sufficient to provide sound and prudent guidance with respect to the Company's operations and interests. The Board seeks to maintain a diverse membership, but does not have a separate policy on diversity. The Board also requires that its members be able to dedicate the time and resources necessary to ensure the diligent performance of their duties on the Company's behalf, including attending Board and applicable committee meetings.

The following are some of the key qualifications and skills the Committee on Directors' Affairs considered in evaluating the director nominees. The table and individual biographies on pages 17 through 21 provide additional information about each nominee's specific experiences, qualifications and skills.

*CEO or senior officer experience.* We believe that directors with CEO or senior officer experience provide the Company with valuable insights. These individuals have a demonstrated record of leadership qualities 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 organizations, they also bring valuable perspectives on common issues affecting both their company and ConocoPhillips.

*Financial reporting experience.* We believe that an understanding of finance and financial reporting processes is important for our directors. The Company measures its operating and strategic performance by reference to financial targets. In addition, accurate financial reporting and robust auditing are critical to the Company's success. We seek to have a number of directors who qualify as audit committee financial experts, 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 experience.* We seek to have directors with leadership experience as executives or directors, or experience in other capacities, in the energy industry. These directors have valuable perspective on issues specific to the Company's business.



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*Global experience.* As a global energy company, the Company's future success depends, in part, on its success in growing its businesses outside the United States. Our directors with global business or international experience provide valued perspective on our operations.

*Environmental/regulatory experience.* The perspective of directors who have experience within the environmental regulatory field is

valued as we implement policies and conduct operations in order to ensure that our actions today will not only provide the energy needed to drive economic growth and social well-being, but also secure a stable and healthy environment for tomorrow. The energy industry is heavily regulated and directly affected by governmental actions and decisions, and the Company believes that directors with government experience offer valuable insight in this regard.

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

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**Election of Directors and Director Biographies continued**

**Who are this year's nominees?**

The following 11 directors are standing for annual election this year to hold office until the 2017 Annual Meeting of Stockholders. Included below is a listing of each nominee's name, age, tenure and qualifications.

**Richard L. Armitage**

**Richard H. Auchinleck, Lead Director**

**Charles E. Bunch**

**Age: 70 Director since:** March 2006

**Age: 64 Director since:** August 2002

**Age: 66 Director since:** May 2014

**ConocoPhillips Committees:**  
Committee on Directors' Affairs;  
Public Policy Committee

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

**ConocoPhillips Committees:**  
Audit and Finance Committee

**Other current directorships:**  
ManTech International Corporation

**Other current directorships:**  
PPG Industries, Inc.;  
PNC Financial Services Group;  
Marathon Petroleum Corporation

**Other current directorships:**  
Telus Corporation<sup>1</sup>

Mr. Armitage has served as President of Armitage International since March 2005. He is a former U.S. Deputy Secretary of State and held a wide variety of high ranking U.S. diplomatic positions from 1989 to 1993 including: Special Mediator for Water in the Middle East; Special Emissary to King Hussein of Jordan during the 1991 Gulf War; and Ambassador, directing U.S. assistance to the newly independent states of the former Soviet Union. He served as Assistant U.S. Secretary of Defense for International Security Affairs from

Mr. Auchinleck began his service as a director of Conoco Inc. in 2001 prior to its merger with Phillips Petroleum Company in 2002. He served as President and Chief Executive Officer of Gulf Canada Resources Limited from 1998 until its acquisition by Conoco in 2001. Prior to his service as CEO, he was Chief Operating Officer of Gulf Canada from 1997 to 1998 and Chief Executive Officer for Gulf Indonesia Resources Limited from 1997 to 1998. Mr. Auchinleck currently serves as Chairman of the Board of Telus Corporation and

Mr. Bunch is the Executive Chairman of the Board of PPG Industries, Inc. He served as Chairman and Chief Executive Officer of PPG from July 2005 to August 2015. 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,

1983 to 1989. He serves on the board of ManTech International Corporation and previously served on the board of Transcu, Ltd. and is a member of The American Academy of Diplomacy as well as a member of the Board of Trustees of the Center for Strategic Studies.

**Skills and Qualifications:**

Mr. Armitage's experience in a wide range of high ranking diplomatic positions qualifies him to provide valuable insight and expertise in the context of the Company's global operations with substantial governmental interface. Mr. Armitage has specific expertise in many of the Company's key operating regions. The Board believes his experience and expertise in these matters make him well qualified to serve as a member of the Board.

previously served on the board of Enbridge Income Fund Holdings Inc.

**Skills and Qualifications:**

Mr. Auchinleck has served as a director of ConocoPhillips and its predecessors since Gulf Canada Resources was acquired by Conoco in 2001. His extensive experience in the industry and as a CEO of an energy company provides him with valuable insights into the Company's business. In addition, Mr. Auchinleck has extensive industry experience in Canada, the location of many key Company assets and operations. The Board believes his experience and expertise in these matters make him well qualified to serve as a member of the Board.

Strategic Planning and Corporate Services, of PPG from 1997 to 2000. Mr. Bunch has more than 35 years of history with PPG, holding positions in finance and planning, marketing, and general management in the United States and Europe. He also currently serves on the boards of PNC Financial Services Group and Marathon Petroleum Corporation. He previously served as a director of H.J. Heinz Company and 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 allows him to provide the Board with valuable operational and financial expertise. The Board believes his experience and expertise in these matters make him well qualified to serve as a member of the Board.

- 1. *Not a U.S. based company.*



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**James E. Copeland, Jr.**

**John V. Faraci**

**Jody Freeman**

**Age:** 71 **Director since:** February 2004

**ConocoPhillips Committees:**  
Audit and Finance Committee (Chair);  
Executive Committee

**Other current directorships:**  
Equifax Inc.; Time Warner Cable Inc.

Mr. Copeland served as Chief Executive Officer of Deloitte & Touche and Deloitte Touche Tohmatsu from 1999 to 2003. Mr. Copeland formerly served as Senior Fellow for Corporate Governance with the U.S. Chamber of Commerce and as a Global Scholar with the Robinson School of Business at Georgia State University. Mr. Copeland is currently a member of the boards of Equifax Inc., Time Warner Cable Inc. and BASS, LLC, and previously served on the board of Coca-Cola Enterprises from 2003 to 2008.

**Skills and Qualifications:**

As the former CEO of one of the "Big Four" accounting firms, Mr. Copeland provides a wealth of financial and accounting expertise.

**Age:** 66 **Director since:** January 2015

**ConocoPhillips Committees:**  
Audit and Finance Committee

**Other current 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 also 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

**Age:** 52 **Director since:** July 2012

**ConocoPhillips Committees:**  
Human Resources and Compensation Committee;  
Public Policy 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:**

In addition, Mr. Copeland's experience as a CEO at a large global corporation allows him to provide valuable insight on managing a global business. The Board believes his experience and expertise in these matters make him well qualified to serve as a member of the Board.

company allows him to provide the Board with valuable operational and financial expertise and an informed management perspective of global business issues. The Board believes his experience and expertise in these matters make him well qualified to serve as a member of the Board.

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 the Company's operations, enable her to provide valuable insight into the Company's policies and practices. The Board believes her experience and expertise in these matters make her well qualified to serve as a member of the Board.

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**Election of Directors and Director Biographies continued**

**Gay Huey Evans, OBE**

**Ryan M. Lance**

**Arjun N. Murti**

**Age:** 61 **Director since:** March 2013

**ConocoPhillips Committees:**  
Audit and Finance Committee

**Age:** 53 **Director since:** April 2012

**ConocoPhillips Committees:**  
Executive Committee (Chair)

**Age:** 46 **Director since:** January 2015

**ConocoPhillips Committees:**  
Audit and Finance Committee

**Other current directorships:**

Itau BBA International Limited<sup>1,2</sup>;  
The Financial Reporting Council<sup>1,2</sup>;  
Standard Chartered PLC<sup>1,2</sup>

Ms. Huey Evans currently serves as a non-executive director of Standard Chartered PLC and Itau BBA International Limited, where she is a member of the Risk and Remuneration committees and Chairman of the Audit Committee. 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, 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 former Vice Chairman, Investment Banking and Investment Management at Barclays Capital

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.

Mr. Murti is Senior Advisor at Warburg Pincus. He previously served as a Partner at Goldman Sachs from 2006 until his retirement in 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 also co-director of equity research for the Americas from 2011-2014. 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:**

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 the Company's businesses. The Board believes her experience and expertise in these matters make her well qualified to serve as a member of the Board.

**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 to the Company. The Board believes his experience and expertise in these matters make him well qualified to serve as a member of the Board.

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 20 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. The Board believes his experience and expertise in these matters make him well qualified to serve as a member of the Board.

1. *Not a U.S. based company.*
2. *Not required to file periodic reports under the Securities Exchange Act of 1934.*



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**Robert A. Niblock**

**Harald J. Norvik**

**Age:** 53 **Director since:** February 2010

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

**Other current directorships:**

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

**Age:** 69 **Director since:** July 2005

**ConocoPhillips Committees:**  
Human Resources and Compensation Committee; Public Policy Committee (Chair); Executive Committee

**Other current directorships:**

Petroleum Geo-Services ASA1

Mr. Norvik currently serves as Vice Chairperson of Petroleum Geo-Services ASA. He is also on the board of Deep Ocean Group and Umoe ASA. 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

Association since 2003, and has served as its Secretary since 2012. He previously served as its chairman in 2008 and 2009 and served as vice chairman in 2006 and 2007.

perspective as a citizen of Norway, a country in which the Company has significant operations. The Board believes his experience and expertise in these matters make him well qualified to serve as a member of the Board.

**Skills and Qualifications:**

Mr. Niblock became a member of the Board in 2010. The Committee on Directors' Affairs 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. The Board believes his experience and expertise in these matters make him well qualified to serve as a member of the Board.

1. *Not a U.S. based company.*

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**Election of Directors and Director Biographies continued**

**What vote is required to approve this proposal?**

Each nominee requires the affirmative vote of a majority of the shares present in person or represented by proxy at the meeting and entitled to vote on the proposal.

**What if a director nominee does not receive a majority of votes cast?**

Our By-Laws require directors to be elected by the majority of the votes cast with respect to such director (i.e., the number of votes cast "for" a director must exceed the number of votes cast "against" that director). 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 would continue to serve on the Board as a "holdover director." However, under our By-Laws, the

holdover director is required to tender his or her resignation to the Board. The Committee on Directors' Affairs then would consider the resignation and recommend to the Board whether to accept or reject the tendered resignation, or whether some other action should be taken. The Board of Directors would then make a decision whether to accept the resignation taking into account the recommendation of the Committee on Directors' Affairs. The director who tenders his or her resignation will not participate in the Board's decision. 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 the decision within 90 days from the date of the certification of the election results. In a contested election (a situation in which the number of nominees exceeds the number of directors to be elected), the standard for election of directors will be a plurality of the shares represented in person or by proxy at any such meeting and entitled to vote on the election of directors.

**What does the Board recommend?**

**THE BOARD RECOMMENDS YOU VOTE "FOR" EACH NOMINEE STANDING FOR ELECTION AS DIRECTOR.**

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## **Audit and Finance Committee Report**

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 five non-employee directors. The Board has determined that each of the members of the Audit Committee satisfy the requirements of the NYSE as to independence, financial literacy and expertise. The Board has determined that at least one member, James E. Copeland, Jr., 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 ConocoPhillips' Board of Directors and last amended on February 17, 2016, and which is available on our website [www.conocophillips.com](http://www.conocophillips.com) under the caption "Corporate Governance." Pursuant to its charter, the Audit Committee's responsibilities include the following:

**Discussing with management, the independent auditors, and the internal auditor the integrity of the Company's accounting policies, internal controls, financial statements, financial reporting practices, and select financial matters, covering the Company's 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 Company's independent auditors and the qualifications and performance of its internal auditors.**

**Reviewing the Company's overall direction and compliance with legal and regulatory requirements and its policies, including its Code of Business Ethics and Conduct.**

**Maintaining open and direct lines of communication with the Board and Company's management, Compliance and Ethics Office, internal auditors and independent auditors.**

Management is responsible for preparing the Company's financial statements in accordance with generally accepted accounting principles, or GAAP, and for developing, maintaining and evaluating the Company's internal control 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 Company's internal controls 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 the Company's financial statements. The following report summarizes certain of the Audit Committees activities in this regard for 2015.

*Review with Management.* The Audit Committee has reviewed and discussed with management the audited consolidated financial statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 2015, which included a discussion of the quality, and not just the acceptability, of the accounting principles, the reasonableness of significant judgments, and the clarity of the disclosures presented in the financial statements. The Audit Committee also discussed management's assessment of the effectiveness of the Company's internal control over financial reporting, as of December 31, 2015, included in the financial statements.

*Discussions with Internal Audit.* The Audit Committee reviewed the Company's internal audit plan and discussed the results of internal audit activity throughout the year. The Audit Committee met with the Company's General Auditor at every in-person meeting, both with and without company management present.

*Discussions with Independent Registered Public Accounting Firm.* The Audit Committee met throughout the year with Ernst & Young LLP ("EY"), the Company's independent registered public accounting firm, including meeting with EY at each in-person meeting without the presence of management. 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

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applicable requirements of the PCAOB, and has discussed with that firm its independence from ConocoPhillips. In addition, the Audit Committee considered the non-audit services provided to the Company by EY, 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, 2015.

### **THE CONOCOPHILLIPS AUDIT AND FINANCE COMMITTEE**

James E. Copeland, Jr., *Chairman*

Charles E. Bunch

John V. Faraci

Gay Huey Evans

Arjun N. Murti

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## Item 2 on the Proxy Card

### Proposal to Ratify the Appointment of Ernst & Young LLP

#### **What am I voting on?**

You are voting on a proposal to ratify the appointment of Ernst & Young LLP as our independent registered public accounting firm for fiscal year 2016. The Audit and Finance Committee has appointed Ernst & Young to serve as the Company's independent registered public accounting firm for fiscal year 2016.

#### **What are the Audit and Finance Committee's responsibilities with respect to the independent registered public accounting firm?**

The Audit and Finance Committee is directly responsible for the appointment, compensation, retention and oversight of the independent registered public accounting firm retained to audit the Company's financial statements. The Audit and Finance Committee has appointed Ernst & Young to serve as the Company's independent registered public accounting firm for fiscal year 2016.

The Audit and Finance Committee has the authority to determine whether to retain or terminate the independent auditor. Neither the lead audit partner nor the reviewing audit partner perform audit services for the Company for more than five consecutive fiscal years. The Audit and Finance 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. The Audit and Finance Committee is also responsible for determination and approval of the audit engagement fees and other compensation associated with the retention of the independent auditor.

The Audit and Finance Committee has evaluated the qualifications, independence and performance of Ernst & Young and believes that the continued retention of Ernst & Young to serve as the Company's independent registered public accounting firm is in the best interests of the Company's stockholders.

#### **What services does the independent registered public accounting firm provide?**

Audit services of Ernst & Young for fiscal year 2015 included an audit of our consolidated financial statements, an audit of the effectiveness of the Company's internal control over financial reporting, and services related to periodic filings made with the SEC. Additionally, Ernst & Young provided certain other services as described in the response to the next question. In connection with the audit of the 2015 financial statements, we entered into an engagement agreement with Ernst & Young that sets forth the terms by which Ernst & Young will perform audit and tax services for us.

#### **How much was the independent registered public accounting firm paid for 2015 and 2014?**

Ernst & Young's fees for professional services totaled \$14.6 million for 2015 and \$16.6 million for 2014. Ernst & Young'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 2015 and \$14.1 million for 2014.

***Audit-Related Fees*** fees for audit-related services, which consisted of audits in connection with benefit plan audits, other subsidiary audits, special reports, and related accounting consultations, were \$1.7 million for 2015 and \$2.1 million for 2014.

***Tax Fees*** fees for tax services, which consisted of tax compliance services and tax planning and advisory services, were \$0.3 million for 2015 and \$0.4 million for 2014.

*All Other Fees* fees for other services were negligible in 2015 and 2014.

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The Audit and Finance Committee has considered whether the non-audit services provided to ConocoPhillips by Ernst & Young impaired the independence of Ernst & Young and concluded they did not.

The Audit and Finance Committee has adopted a pre-approval policy that provides guidelines for the audit, audit-related, tax and other non-audit services that may be provided by Ernst & Young to the Company. The policy (a) identifies the guiding principles that must be considered by the Audit and Finance Committee in approving services to ensure that Ernst & Young'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 Ernst & Young must be pre-approved by the Audit and Finance Committee. The Audit and Finance Committee has delegated authority to approve permitted services to its Chair. Such approval must be reported to the entire committee at the next scheduled Audit and Finance Committee meeting.

**Will a representative of Ernst & Young be present at the meeting?**

Yes, one or more representatives of Ernst & Young will be present at the meeting. The representatives will have an opportunity to make a statement if they desire and will be available to respond to appropriate questions from the stockholders.

**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 meeting and entitled to vote on the proposal. If the appointment of Ernst & Young is not ratified, the Audit and Finance Committee will reconsider the appointment.

**What does the Board recommend?**

**THE AUDIT AND FINANCE COMMITTEE RECOMMENDS YOU VOTE "FOR" THE RATIFICATION OF THE APPOINTMENT OF ERNST & YOUNG LLP AS THE COMPANY'S INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR FISCAL YEAR 2016.**



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## Role of the Human Resources and Compensation Committee

### Authority and Responsibilities

The Human Resources and Compensation Committee (the "HRCC" or "Committee") is responsible for providing independent, objective oversight for ConocoPhillips' executive compensation programs and determining the compensation of anyone who meets our definition of a "Senior Officer." Currently, our internal guidelines define a Senior Officer as an employee who is a senior vice president or higher, an 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, 2015, the Company had 16 Senior Officers. All of the officers shown in the compensation tables that follow are 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 regarding disputes over compensation and certain benefits.

One of the HRCC's responsibilities is to assist the Board in its oversight of the integrity of the Company's executive compensation practices and programs as described in the "*Compensation Discussion and Analysis*" beginning on page 29 of this Proxy Statement, which summarizes certain of the HRCC's activities during 2015 and early 2016 concerning compensation earned during 2015 as well as any significant actions regarding compensation taken after the fiscal year end.

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 [www.conocophillips.com](http://www.conocophillips.com) under the caption "*Corporate Governance*." Although the Committee's charter permits it to delegate authority to subcommittees or other Board committees, the Committee made no such delegations in 2015.

### Members

The HRCC currently consists of four members. The only pre-existing requirements for service on the HRCC are that 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, like the members and Chairs of all of the Board committees, are reviewed and recommended annually by the Committee on Directors' Affairs to the full Board. The Board of Directors has final approval of the committee structure of the Board.

### Meetings

The HRCC holds regularly scheduled meetings in association with each regular Board meeting and meets by teleconference between such meetings as necessary to discharge its duties. In 2015, 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 can be found in the "*Compensation Discussion and Analysis*" beginning on page 29.

### Continuous Improvement

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

**Receives ongoing training regarding best practices for executive compensation;**

**Regularly reviews its responsibilities and governance practices in light of ongoing changes in the legal and regulatory arena and trends in corporate governance, which review is aided by the Company's management and consultants, independent compensation consultants, and, when deemed appropriate, independent legal counsel;**

**Annually reviews its charter and proposes any desired changes to the Board of Directors;**

**Annually conducts a self-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 the Company's executive compensation programs are having the desired effects and do not encourage an inappropriate level of risk.**

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## Human Resources and Compensation Committee Report

*Review with Management.* The Human Resources and Compensation Committee has reviewed and discussed the "Compensation Discussion and Analysis" presented in this Proxy Statement starting on page 29 with members of management.

*Discussion with Independent Executive Compensation Consultant.* The HRCC has discussed with Frederic W. Cook & Co., Inc. ("FWC"), an independent executive compensation consulting firm, the executive compensation programs of the Company, as well as specific compensation decisions made by the HRCC. FWC was retained directly by the HRCC, independent of the management of the Company. The HRCC has received written disclosures from FWC confirming no other work has been performed for the Company by FWC, has discussed with FWC its independence from ConocoPhillips, and believes FWC to have been independent of management.

*Recommendation to the ConocoPhillips Board of Directors.* Based on its review and discussions noted above, the HRCC recommended to the Board of Directors that the "Compensation Discussion and Analysis" be included in ConocoPhillips' Proxy Statement on Schedule 14A (and, by reference, included in ConocoPhillips' Annual Report on Form 10-K for the year ended December 31, 2015).

### THE CONOCOPHILLIPS HUMAN RESOURCES AND COMPENSATION COMMITTEE

Robert A. Niblock, *Chairman*  
Richard H. Auchinleck  
Jody Freeman  
Harald J. Norvik

## Human Resources and Compensation Committee Interlocks and Insider Participation

During the year ended December 31, 2015, none of our executive officers served as (1) a member of the compensation committee (or other board committee performing equivalent functions or, in the absence of any such committee, the entire board) of another entity, one of whose executive officers served on our Human Resources and Compensation Committee, (2) a director of another entity, one of whose executive officers served on our Human Resources and Compensation Committee or (3) a member of the compensation committee (or other board committee performing equivalent functions

or, in the absence of any such committee, the entire board) of another entity, one of whose executive officers served as one of our directors. In addition, none of the members of our Human Resources and Compensation Committee (1) was an officer or employee of the Company or any of our subsidiaries during the year ended December 31, 2015, (2) was formerly an officer or employee of the Company or any of our subsidiaries, or (3) had any other relationship requiring disclosure under applicable rules.

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## Item 3 on the Proxy Card

### Advisory Approval of Executive Compensation

#### What am I voting on?

Stockholders are being asked to vote on the following advisory resolution:

**RESOLVED** that the stockholders approve the compensation of ConocoPhillips' Named Executive Officers as described in the Compensation Discussion and Analysis section and in the tabular disclosures regarding Named Executive Officer compensation (together with the accompanying narrative disclosures) in this Proxy Statement.

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 Human Resources and Compensation Committee, 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, allow you to view the trends in compensation and application of our compensation philosophies and practices for the years presented.

The Board of Directors 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 the Company's ability to responsibly deliver energy and to provide sustainable value is driven by superior individual performance. The Board believes that a company 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 by making performance-based pay 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 the Company and its stockholders. At last year's annual meeting, approximately 94% of the Company's stockholders voted, on an advisory basis, to approve the compensation paid to the Company's named executive officers.

#### What is the effect of this resolution?

Because your vote is advisory, it will not be binding upon the Board of Directors. 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 meeting and entitled to vote on the proposal.

#### What does the Board recommend?

**THE BOARD RECOMMENDS YOU VOTE "FOR" THE ADVISORY APPROVAL OF THE COMPENSATION OF THE COMPANY'S NAMED EXECUTIVE OFFICERS.**

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## Compensation Discussion and Analysis

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

### Executive Overview

Our Named Executive Officers for 2015 were:

\*

*On February 16, 2016, Jeffrey W. Sheets announced his decision to retire as Executive Vice President, Finance and Chief Financial Officer of ConocoPhillips. Mr. Sheets will remain in his position as Executive Vice President, Finance and Chief Financial Officer until April 1, 2016 and following that will remain an employee of ConocoPhillips through May 31, 2016 to provide support during the transition of his responsibilities. The following changes to the ConocoPhillips executive leadership team are effective April 1, 2016:*

*Donald E. Walette, Jr. will become Executive Vice President, Finance, Commercial and Chief Financial Officer.*

*Alan J. Hirshberg will become Executive Vice President, Production, Drilling and Projects.*

*Matthew J. Fox will become Executive Vice President, Strategy, Exploration and Technology.*

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**Executive Overview continued**

**Overview of Our Compensation Programs**

Our executive compensation programs include a mix of fixed and variable pay with performance periods ranging from one to ten years. Performance metrics for short- and long-term incentive programs include a balance of relative and absolute targets established to align with the Company's strategy. Management and the HRCC believe pay and performance are best aligned through a rigorous performance review process that includes four in-depth reviews with members of the HRCC during the year. This process allows the Committee to make informed decisions to positively or negatively adjust payouts where warranted. Our executive compensation program has four primary elements, as shown in the chart below:

\*

*At its December 2015 meeting, the HRCC approved changes to the weighting for performance shares and stock options, from even weighting to 60% for performance shares and 40% for stock options. The HRCC also changed the weighting of metrics for performance shares, so that TSR increased to 50%, financial metrics reduced to 30%, with strategic metrics remaining at 20%. The HRCC also capped the payout limit on stock options at 100%, eliminating the ability for the Committee to adjust stock option awards by up to 30%. All of these changes are effective for the programs beginning in 2016.*

\*\*

*See "Process for Determining Executive Compensation Performance Criteria" beginning on page 46 for details regarding the specific performance metrics within each category.*



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Table of Contents**How Our Performance Affected Our Pay**

Our compensation programs are designed to attract and retain high-quality talent, reward executives for performance that successfully executes the Company's long-term strategy, and align compensation with the long-term interests of our stockholders. As a result, our executive compensation programs closely tie pay to performance. We believe the following categories of performance metrics have appropriately assessed the corporate performance of the Company relative to its strategy as an independent E&P company: Health, Safety and Environmental; Operational; Financial; Strategic Plan and Total Shareholder Return.

Performance metrics for our short- and long-term incentive programs include a balance of relative and increasingly challenging absolute

targets established to align with the Company's strategy. Increasingly challenging targets can mean year-over-year performance target increases for safety, efficiency, emission reductions, unit cost targets, and margins. It can, however, also mean the same or lower performance targets, recognizing the changing commodity price environment. For example, delivering flat production targets when significant capital and operating cost reductions are made would be increasingly challenging. Executive compensation in 2015 is reflective of performance during both our short- and long-term incentive program periods. Performance highlights include:

**2015 Performance Highlights**

<b>Total Recordable Rate (TRR) Improvement</b>	<b>Production Growth<sup>(1)</sup></b>	<b>Disposition Proceeds<sup>(2)</sup></b>	<b>Capital Reduction</b>	<b>Operating Cost Reduction<sup>(3)</sup></b>	<b>Major Project Startups</b>
2015 vs. 2014	2015	2015	2015 vs. 2014	2015 vs. 2014	2015

(1) *Production growth is from continuing operations, adjusted for Libya, downtime and dispositions.*

(2) *Includes ~\$0.3B from liquidation of certain deferred compensation investments accounted for as cash from investing activities and ~\$0.1B from QG3 return of capital.*

(3) *Our operating costs reduction for 2015 vs. 2014 is a non-GAAP financial measure, and excludes dry holes and leasehold impairment. Our total production and operating, selling, general and administrative and exploration expenses increased 4% due to increased dry hole expense and leasehold impairments. A reconciliation determined in accordance with U.S. GAAP as well as a discussion of the usefulness and purpose of operating costs reduction are shown in Appendix A and at [www.conocophillips.com/nongaap](http://www.conocophillips.com/nongaap).*

In determining award payouts under 2015 VCIP and PSP XI, members of the Committee met four times with management to review progress and performance against the approved metrics. This process allows the Committee to make informed decisions to positively or negatively adjust payouts where warranted. While we are pleased with our progress against the corporate performance measures under 2015 VCIP and PSP XI, it is impossible to ignore the dramatic

weakening of oil and gas prices that led to the decisions to cut capital and operating costs and reduce the dividend. As a result of the prolonged downturn in commodity prices, which has negatively impacted both our earnings and shareholder returns, the HRCC exercised discretion to reduce the 2015 VCIP and PSP XI payouts related to corporate performance as noted on the following page.



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**Executive Overview continued**

We paid out performance-based programs as follows:

**Annual Incentive Variable Cash Incentive Program (VCIP)**

The VCIP payout is calculated using the following formula for all Senior Officers, subject to HRCC approval and discretion within established limits:

**Long-Term Incentive Performance Share Program (PSP)**

See "*Process for Determining Executive Compensation*" on page 41 and "*2015 Executive Compensation and Analysis and Results*" on page 49.



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**2015 Say on Pay Vote Result and Engagement**

At our 2015 Annual Meeting, approximately 94% of stockholders who cast an advisory vote on the Company's say on pay proposal voted in favor of the Company's executive compensation programs. Since then, the Company actively engaged in dialogue with a significant number of large stockholders to continue to reinforce our understanding of our stockholder's views regarding the Company's compensation programs. The Company is committed to maintaining regular dialogue with its investors intended to:

- |          |  |          |   |          |  |
|----------|--|----------|---|----------|--|
| <b>1</b> | Solicit their feedback on executive compensation and governance-related matters; | <b>2</b> | Evaluate the Company's compensation programs; and | <b>3</b> | Report stockholder views directly to the HRCC and Board. |
|----------|--|----------|---|----------|--|

As a result of this engagement process, the Company learned the following:

The Board and the Committee value these discussions and also encourage stockholders to provide feedback about our executive compensation programs as described under "*Communications with the Board of Directors*."

The HRCC carefully considers the views of these stockholders as part of its annual compensation review process. Conversations the Company had with its investors and proxy advisory firms following the 2015 advisory vote on executive compensation were considered along with current market practices and general investor concern over certain pay practices. See "*Process for Determining Executive Compensation Human Resources and Compensation Committee*" on page 41.

We have continued to incorporate feedback on the importance of transparent and readable disclosure in drafting this Proxy Statement, including:



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**Executive Overview continued**

**Our Compensation and Governance Practices**

Our executive compensation philosophy is focused on pay for performance and is designed to reflect appropriate governance practices aligned with the needs of our business. Below is a summary of compensation practices we have adopted, and a list of problematic pay practices that we avoid.

**WHAT WE DO**

**Pay for Performance:** We align executive compensation with corporate, award unit and individual performance on both a short-term and long-term basis. The majority of our target total direct compensation for Senior Officers comprises variable compensation through our annual and long-term incentive compensation. Actual total direct compensation varies based on the extent of achievement of, among other things, safety, operational and financial performance 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 and management perform an annual risk assessment to identify potential undue risk created by our incentive plans. We do not believe any of our compensation programs create risks that are reasonably likely to have a material adverse impact on the Company.

**Clawback Policy:** Executives' cash and equity incentive compensation are 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 their 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 the Company.

**Independent Compensation Consultant:** The Committee retained FWC to serve as its independent executive compensation consultant. During 2015, FWC provided no other services to the Company.

**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 also accompanied by a qualifying termination of employment.

**Limited Payouts:** In 2014, the Committee formalized the Company's already existing practice of capping VCIP and PSP payouts at 250% and 200% of target, respectively. In 2015, the Committee formalized the Company's already 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 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 of or hedging or trading in derivatives of the Company's stock.

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

Table of Contents**2015 Strategy and Path Forward**

When ConocoPhillips emerged as an independent E&P company in 2012, we set out to deliver a unique value proposition of double-digit returns annually to stockholders through a combination of 3 to 5 percent compound annual growth in both production and margins, with a compelling dividend. These objectives were based on annual capital expenditures of about \$16 billion and oil prices at historical mid-cycle levels. 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 into 2015. Our value proposition has not changed conceptually, but we have significantly reduced our level of capital expenditures and operating costs in response to lower commodity prices. We approached 2015 with a plan to lower the cost of supply of the portfolio, maintain capital flexibility, exercise vigilance on costs and drive efficiencies in everything we do.

Throughout 2015, the Company took decisive actions in the face of weak oil and gas prices. Over the course of the year, we reduced our 2015 capital expenditures to \$10.1 billion, a decrease of 41 percent compared with 2014 spending. We set an aggressive target to reduce our operating costs by \$1 billion a goal we far exceeded. We also took steps to divest or transition out of certain areas of the business, including deepwater exploration and some of our non-core North American natural gas assets, which were not going to compete in our portfolio for future investment. Organizationally, we re-examined how we do business. Through a company-wide initiative, we are building a more competitive, efficient ConocoPhillips. This work resulted in some difficult decisions, including a 17 percent workforce reduction and a consolidation of management positions, including at the executive level. At the level of our senior management, the number of employees eligible for participation in our long-term incentive programs (the Performance Share Program and Stock Option Program) was reduced by approximately 25% from 72 to 55. Management also made the difficult, but necessary, decision to eliminate annual salary adjustments in 2015 and again in 2016. This does not represent a change in overall compensation philosophy;

however, our actions remain driven primarily by a recognition of the weak price environment.

In late 2015 we announced our initial 2016 operating plan, which was premised on oil and natural gas prices similar to those in 2015. Our plan included capital expenditures of \$7.7 billion and operating costs of \$7.7 billion. However, 2016 crude prices have dropped significantly since our announcement with January Brent prices averaging approximately 40 percent lower than average 2015 prices. Furthermore, since early January, credit rating agencies lowered their price outlooks and put the industry under review for credit downgrades. Given these factors, we took prudent steps in February to reduce our capital expenditures guidance to \$6.4 billion and operating cost guidance to \$7.0 billion.

We also announced a reduction to our quarterly dividend beginning with our first-quarter 2016 payment. While the dividend remains a core aspect of our investment offering, we reset the dividend to a level that we believe will be sustainable through periods of lower and more volatile prices that we expect in the future. In setting the dividend level, we attempted to balance several objectives, including yield, cash conservation and protecting our balance sheet. The decision to lower the dividend was a difficult one, but we believe it was prudent in light of the market environment. The dividend will remain a priority use of cash, but against a lower-for-longer price outlook we must maintain a strong balance sheet in order to deliver long-term value for stockholders.

The industry continues to be challenged by the current commodity price downturn. We are focused on the factors we can control in the short, medium and long term, while positioning ConocoPhillips for sustained success in a world of low and volatile commodity prices. We remain committed to our value creation tenets of returning capital to stockholders, investing in a low cost of supply resource base, delivering disciplined growth and preserving a strong balance sheet. This is the formula that can allow us to deliver strong financial returns and long-term stockholder value.

**Executive Compensation Alignment**

Our compensation programs are designed to attract and retain high-quality talent, reward executives for performance that successfully executes the Company's long-term strategy and align compensation with the long-term interests of our stockholders. As a result, our executive compensation programs closely tie pay to performance. Consistent with this design, approximately 89% of the CEO's 2015 target pay and approximately 84% of the Named Executive Officers' ("NEO") 2015 target pay is performance based, with stock-based, long-term incentives comprising the largest portion of performance-based pay. We believe the following categories of performance metrics have appropriately assessed the corporate performance of the Company relative to its strategy as an independent E&P company, focusing on the priorities discussed above: Health, Safety and Environmental; Operational; Financial;

Strategic Plan and Total Shareholder Return. Performance metrics for our short- and long-term incentive programs include a balance of relative and increasingly challenging absolute targets established to align with the Company's strategy. Increasingly challenging targets can mean

year-over-year performance target increases for safety, efficiency, emission reductions, unit cost targets, and margins. It can, however, also mean the same or lower performance targets, recognizing the changing commodity price environment. For example, delivering flat production targets when significant capital and operating cost reductions are made would be increasingly challenging. See "*Process for Determining Executive Compensation Performance Criteria*" beginning on page 46 for details regarding the specific performance metrics within each category.

The Human Resources and Compensation Committee reassesses our performance metrics and targets on an ongoing basis to ensure they continue to support the Company's long-term strategy.

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## **Philosophy and Objectives of Our Executive Compensation Program**

### **Our Goals**

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

### **Our Philosophy**

**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 within the organization 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 Human Resources and Compensation Committee plays an important role in establishing increasingly challenging corporate performance criteria to align executive compensation with the performance of the Company relative to its strategy as an independent E&P company and provides for a positive or negative adjustment in executive compensation as appropriate. Management provides four comprehensive performance reviews each year to ensure the Committee members are prepared to make informed decisions.**

### **Our Principles**

**Establish target compensation levels that are competitive with those of other companies with whom we compete for executive talent;**

**Create a strong link between executive pay and Company performance;**

**Encourage prudent risk-taking by our executives;**

**Motivate performance by rewarding specific individual accomplishments in determining compensation;**

**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.**

Unlike target compensation levels, which are set by the Committee near the beginning of the performance period, actual compensation is a function of the Company's operational, financial and stock price performance, as reflected through annual incentive payouts, performance share payouts and the value of all other long-term incentive awards at vesting. Actual compensation is intended to vary above or below target levels commensurate with Company performance.

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## **Alignment of CEO Compensation and Performance**

Using the process described beginning on page 41, adjustments have been made by the HRCC where appropriate to maintain proper alignment between CEO compensation and corporate and individual performance. The graph below illustrates the alignment of pay and performance relative to our 10 performance peers by comparing performance-based pay reported in the Summary Compensation Table to TSR as measured by the compound annual appreciation in share price plus the dividends returned to shareholders. The graph shows the percentile ranking for TSR and CEO compensation from

January 1, 2012, through December 31, 2014, for each of the 10 performance peers and ConocoPhillips; 2015 peer compensation data is not yet available. As indicated, ConocoPhillips has peer-leading TSR and ranks approximately in the 75th percentile, or third among peers, for pay for this time period. Generally, performance exceeded compensation for companies positioned below the red line and compensation exceeded performance for companies positioned above.

### **Alignment of CEO Pay and Total Shareholder Return 1/1/2012 - 12/31/2014**



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**Alignment of CEO Compensation and Performance continued**

The equity grants included in the *Summary Compensation Table* ("SCT") reflect their target value calculated using the grant date fair value. The SCT is not updated for subsequent changes in share price, up or down, and therefore continues to reflect target value on the grant date, versus the value realizable by the Named Executive Officer. As previously discussed, oil and gas prices began a precipitous decline in late 2014 that continued into 2015, which has negatively impacted both our earnings and shareholder returns. To demonstrate the alignment of pay and performance for 2013-2015, the following chart compares the CEO's annual total target compensation for 2013, 2014 and 2015 to realizable value of compensation for those years. Stock-based compensation that is not yet realized is valued using the Company's closing stock price of \$46.69 on December 31, 2015.

**Realizable Value of CEO Target Compensation 2013 - 2015**

(1) *Reflects the annual targets approved by the HRCC for base salary, cash incentive, performance shares and stock options for each of the years 2013, 2014 and 2015 as disclosed in the Compensation Discussion & Analysis section for each year.*

(2) *Reflects (i) base salary paid during each calendar year, (ii) cash incentive award paid for each of the 2013, 2014 and 2015 Variable Cash Incentive Programs (VCIP), (iii) for 2013, the actual realized value of the performance shares granted in February 2016 for Performance Share Program (PSP) XI (the program running from 2013 - 2015) and, for 2014 and 2015, the December 31, 2015 realizable value of target awards granted for the three-year performance periods beginning in 2014 and 2015 (PSP XII XIII) for which a final payout has not yet been determined, and (iv) the realizable value for stock options granted in 2013, 2014 and 2015, all of which currently have no realizable value given the December 31, 2015 stock price is below the grant price for each of these awards.*



These charts demonstrate the alignment of the CEO's compensation and shareholder value. With 72% of the CEO's target compensation delivered as stock-based compensation, the value ultimately earned will reach or exceed target value only when the stock price increases and TSR improves.

**ConocoPhillips Stock Price**

Table of Contents**Components of Executive Compensation**

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.

**Base Salary**

Base salary is a major component of the compensation for all of our salaried employees, including our Named Executive Officers, although it becomes a smaller component as a percentage of total targeted compensation as an employee rises through the ConocoPhillips salary grade structure. Base salary is important to give an individual financial stability for personal planning purposes. There are also motivational and reward aspects to base salary, as base salary can be increased or decreased to account for considerations such as individual performance and time in position. The position-benchmarking exercise we conduct considers peer market data from the Company's compensation consultant that, along with the Company's recommendations, is reviewed with the Committee and its independent compensation consultant. See "*Process for Determining Executive Compensation Peers and Benchmarking*" on page 43 for a discussion of this process.

The table below shows the base salary for each Named Executive Officer earned during the years ended 2014 and 2015:

<b>Name</b>	<b>12/31/2014</b>	<b>12/31/2015</b>
R.M. Lance	\$ 1,700,000	\$ 1,700,000
J.W. Sheets	888,000	888,000
M.J. Fox	1,241,000	1,241,000
A.J. Hirshberg	1,085,667	1,096,000
D.E. Walette, Jr.	874,000	874,000

The HRCC reviews base salary annually for each of the NEOs. Base salary for the CEO has remained unchanged since March 1, 2013.

As a result of low commodity prices and economic uncertainty, the Company's management implemented certain measures to reduce operating costs. Management made the difficult, but necessary, decision to eliminate annual salary adjustments in 2015 and 2016 for employees, including the NEOs. This does not represent a change in overall compensation philosophy; however, our actions remain driven primarily by a recognition of the weak price environment. In 2015, the Company also laid off or otherwise terminated approximately 17% of its workforce. At the level of our senior management, the number of employees eligible for participation in our long-term incentive programs (the Performance Share Program and Stock Option Program) was reduced by approximately 25% from 72 to 55.

Compensation actions related to the expanded roles for Messrs. Hirshberg and Walette were approved by the HRCC in February 2016 as described further under "*2016 Target Compensation*."



Table of Contents**Components of Executive Compensation continued****Performance-Based Pay Programs****Annual Incentive**

The Variable Cash Incentive Program ("VCIP") is an annual incentive program that is broadly available to our employees throughout the world, and it is our primary vehicle for recognizing Company, award unit, and individual performance for the past year. We believe that having an annual "at risk" compensation element for all employees, including executives, gives them a financial stake in the achievement of our business objectives and therefore 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 award is weighted equally for corporate and award unit performance for the Named Executive Officers, and the Named Executive Officers receive an average of performance measured under all award units. See "*Process for Determining Executive Compensation Performance Criteria*" beginning on page 46 for details regarding performance criteria. The HRCC has discretion to adjust the base award up or down based on individual performance and makes its decision based on the input of the CEO for all Named Executive Officers, other than the CEO, and based on its evaluation of the CEO, conducted jointly with the Lead Director, for the CEO.

**Long-Term Incentives**

Our primary long-term incentive compensation programs for executives are the Performance Share Program ("PSP") and the Stock Option Program. Our programs target approximately 50% of the long-term incentive award in the form of restricted stock units awarded under the PSP and 50% in the form of stock options. In December 2015, the HRCC changed this mix so that beginning in 2016 approximately 60% of the long-term incentive award would be in the form of restricted stock units awarded under the PSP and 40% in the form of stock options. The effects of this change will not be reflected in the compensation tables starting on page 60, since it was not effective for the awards granted in 2015.

**Performance Share Program** PSP rewards executives based on the performance of the Company and their individual performance over a three-year period. Each year the Committee establishes a three-year performance period over which it compares the performance of the Company with that of its performance-measurement peer group using pre-established criteria. Thus, in any given year, there are three overlapping performance periods. Use of a multi-year performance period helps to focus management on longer-term results.

Each executive's individual award under the PSP is subject to a potential positive or negative performance adjustment at the end of the performance period up to a maximum PSP payout of 200% of target. The adjustment is determined by the HRCC following several detailed reviews of Company performance during the performance period. Final awards are based on the Committee's evaluation of the Company's performance relative to the established metrics

(discussed under "*Process for Determining Executive Compensation Performance Criteria*") and of each executive's individual performance. The Committee reviews and determines compensation for the CEO and considers input from the CEO with respect to the Named Executive Officers other than himself. Targets for participants whose salary grades are changed during a performance period are prorated for the period of time such participant remained in each respective salary grade.

**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 at not less than 100 percent of the Company stock's fair market value at the time of the grant. Because the option's value is derived solely from an increase in the Company's stock price, the value of a stockholder's investment in the Company must appreciate before an option holder receives any financial benefit from the option. Options granted in 2015 under our program are time-based and have three-year vesting provisions and are exercisable for a period of 10 years in order to incentivize our executives to increase the Company's share price over the long term. No individual adjustments were made to 2013, 2014 or 2015 stock option awards, and the HRCC formally revised the Stock Option Program for years beginning in 2016 so that no upward adjustment of stock option awards would be allowed.

The combination of the PSP and the Stock Option Program, along with our Stock Ownership Guidelines described under "*Executive Compensation Governance Alignment of Interests Stock Ownership and Holding Requirements*" on page 58, 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** No off-cycle awards were made to any of our Named Executive Officers in 2013, 2014 or 2015. Pursuant to the Committee's charter, any off-cycle awards to Senior Officers must be approved by the HRCC. ConocoPhillips may make awards outside the PSP

or the Stock Option Program (off-cycle). Off-cycle awards are granted outside the context of our regular compensation programs. Currently, off-cycle awards are generally granted to certain incoming executive personnel for one or more of the following reasons: (1) to induce an executive to join the Company (occasionally replacing compensation the executive will lose by leaving the prior employer); (2) to induce an executive of an acquired company to remain with the Company for a certain period of time following the acquisition; or (3) to provide a pro rata equity award to an executive who joins the Company during an ongoing performance period for which he or she 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.

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## **Process for Determining Executive Compensation**

Our executive compensation programs take into account marketplace compensation for executive talent; internal pay equity with our employees; past practices of the Company; corporate, award 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. In 2010, we

provided an offer letter to Mr. Hirshberg as an incentive to accept employment and in recognition of forgone compensation from his prior employer. A discussion of this letter is set forth on page 73 under "*Other Arrangements*." All compensation for these officers is set by the Committee as described below.

### **Risk Assessment**

The Company has considered the risks associated with each of its executive and broad-based compensation programs and policies. As part of the analysis, the Company considered the performance measures used and described under the section titled "*Performance Criteria*" beginning on page 46, as well as the different types of compensation, varied performance measurement periods and extended vesting schedules utilized under each incentive compensation program for both executives and other employees. As a result of this review, the Company has concluded the risks arising from the Company's compensation policies and practices for its

employees are not reasonably likely to have a material adverse effect on the Company. As part of the Board's oversight of the Company's risk management programs, the HRCC conducts an annual review of the risks associated with the Company's executive and broad-based compensation programs. The HRCC and its independent compensation consultant as well as the Company's compensation consultant noted their agreement with management's conclusion that the risks arising from the Company's compensation policies and practices for its employees are not reasonably likely to have a material adverse effect on the Company.

### **Human Resources and Compensation Committee**

The Committee annually reviews and determines compensation for the CEO and for our Senior Officers, including 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 on page 42, the HRCC makes critical decisions on competitive compensation levels, program design, performance targets, corporate, award unit and individual performance and appropriate pay adjustments necessary to reflect short- and long-term performance.

The Committee believes that increasingly challenging performance metrics best assess the corporate performance of the Company 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. It can, however, also mean the same or lower performance targets, recognizing the changing commodity price environment. For example, delivering flat production targets when significant capital and operating cost reductions are made would be increasingly challenging.

Compensation decisions reflect input from the Committee's independent consultant and the Company's consultant, stockholders, and management, including annual benchmark data provided by the consultants, dialogue with the Company's largest stockholders, and four in-depth management reviews of ongoing corporate performance. This comprehensive and rigorous process allows the Committee to make informed decisions and adjust compensation positively or negatively, limited such that in no event may VCIP, PSP or stock option awards exceed 250%, 200% and 100% of target, respectively.



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**Process for Determining Executive Compensation continued**

**HRCC Annual Compensation Cycle**

**Management**

The Company's Human Resources department supports the Committee 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 for consideration by the Committee. The CEO considers performance and makes individual recommendations to the

Committee on base salary, annual incentive and long-term equity compensation with respect to Senior Officers, including all Named Executive Officers other than himself. The Committee reviews, discusses, modifies and approves, as appropriate, these compensation 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**

As set forth in its charter, which can be found on our website, the Committee has the sole authority to retain and terminate any compensation consultant to be used to assist in the evaluation of the compensation of the Chairman, the CEO and the Senior Officers, and has sole authority to approve such consultant's fees and other retention terms. The foregoing authority includes the authority to retain, terminate and obtain advice and assistance from external legal, accounting or other advisors and consultants.

The Committee retained FWC to serve as its independent executive compensation consultant in 2015. The Committee has adopted specific guidelines for outside compensation consultants, which (1) require that work done by such consultants for the Company at management's request be approved in advance by the Committee; (2) require a review of the advisability of replacing the independent consultant after a period of five years and (3) prohibit the Company from employing any individual who worked on the Company's account for a period of one year after leaving the employ of the independent consultant. FWC has provided an annual attestation of its compliance with these 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 Committee considered whether any conflict of interest exists with either FWC or Mercer in light of SEC rules. The Committee 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 Committee; (5) any Company 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 FWC and Mercer provided the Committee with appropriate assurances addressing such factors. Based on such information, the Committee concluded that the work of each of the consultants did not raise any conflict of interest. The Committee also took into consideration all factors relevant to FWC's independence from management, including those specified in Section 303A.05(c) of the NYSE Listed Company Manual and determined that FWC is independent, and performs no other services for the Company.

**Peers and Benchmarking**

With the assistance of our outside compensation consultants, we set target compensation by referring to multiple relevant compensation surveys that include, but are not limited to, large energy companies. 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 broadly 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 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 considers peer market data from the Company's compensation consultant, Mercer, after which, the Committee's independent consultant, FWC, reviews and independently advises on the conclusions reached as a result of this benchmarking. The Committee uses the results of these sources

of compensation information as a factor in setting compensation structure and targets relating to our Named Executive Officers.

The HRCC uses two separate categories of primary peer groups in designing our compensation programs: the compensation peer group and the performance peer group. ConocoPhillips utilizes compensation peer groups in setting compensation targets because these companies are broadly reflective of the industry in which it competes for business opportunities and executive talent, and because 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 concerning financial and business objectives and opportunities. The companies chosen as compensation and performance peers have the following characteristics that led to their selection: complex organizations; publicly traded (and not directed by a government or governmental entity); very large market capitalization; very large production and reserves; competitors for exploration prospects and competitors for the same talent pool of potential employees.



Table of Contents**Process for Determining Executive Compensation continued****Compensation and Performance Peers**

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

Company Name	Market Value as of 12/31/15(1) (\$billions)	2014 Production (MBOED)(2)(3)	Compensation Peer	Performance Peer
Exxon Mobil Corporation	325	3,969		
Chevron Corporation	169	2,571		
Royal Dutch Shell plc	146	3,080		
BP plc	96	3,151		
TOTAL SA	110	2,146		
<b>ConocoPhillips</b>	<b>58</b>	<b>1,540</b>		
Occidental Petroleum	52	591		
BG Group(4)	50	606		
Anadarko Petroleum Corporation	25	843		
Apache Corporation	17	647		
Devon Energy	13	673		
Fortune 100 Industrials (for CEO & staff executives)				
Marathon Oil Corporation(4)	9	459		Effective for 2016

(1) *Source: Bloomberg.*

(2) *Based on publicly available information.*

(3) *Production from continuing operations.*

(4) *Due to the pending acquisition of BG Group by Royal Dutch Shell plc, the HRCC approved the replacement of BG Group by Marathon Oil Corporation with regard to performance periods that include the years 2016 and later.*

**Setting Compensation Targets** Compensation Peer Group

At the February 2015 HRCC meeting, in setting total compensation targets and targets within each individual program, the HRCC used the compensation peer group indicated in the table above for benchmarking purposes. The HRCC also utilized this group of peer companies for benchmarking the 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.

*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 Committee assessed our actual performance for a given period by using the performance peer group indicated in the table above.

Once an overall target compensation level is established, the Committee considers the weighting of each of our primary compensatory programs (Base Salary, VCIP, PSP and Stock Option Program) within the total targeted compensation, as discussed under "*Salary Grade Structure*" and "*Internal Pay Equity*."

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**Salary Grade Structure**

Management, with the assistance of its outside compensation consultant, thoroughly examines the scope and complexity of jobs throughout ConocoPhillips and studies the competitive compensation practices for such jobs. As a result of this work, management has developed a compensation scale under which all positions are designated with specific "salary grades." For our

executives, the base salary midpoint increases as the salary grade increases, but at a lesser rate than increases in target incentive compensation percentages. The result is an increased percentage of "at risk" compensation as the executive's salary grade is increased. Any changes in compensation for our Senior Officers resulting from a change in salary grade are approved by the HRCC.

**Internal Pay Equity**

We believe our compensation structure provides a framework for an equitable compensation ratio between executives, with higher targets for jobs at salary grades having greater duties and responsibilities. Taken as a whole, 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 is designed to increase in periods of above-target performance and decrease in times of below-target performance. In addition, the HRCC also 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 have appropriately assessed the performance of the Company relative to its strategy as an independent E&P company. Consistent with this focus, 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 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, and any metric in isolation is unlikely to promote the well-rounded executive performance necessary to enable us to achieve long-term success. The Committee reassesses performance metrics periodically to assess the performance of the Company relative to its strategy as an independent E&P company.

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**Process for Determining Executive Compensation continued**

**Performance Criteria**

We use corporate and award unit performance criteria in determining individual payouts. In addition, our programs contemplate that the Committee will exercise discretion in assessing and rewarding individual performance. The HRCC considers all the elements described below before making a final determination. For VCIP and

PSP, the HRCC approved certain metrics and the weight considered for each metric, consistent with our strategy and focus as an independent E&P company. This is reflected in the charts below. For program periods through 2015, the HRCC assigned approximately the following weights to the measures under VCIP and PSP:

**Corporate Performance Criteria**

We utilize multiple measures of performance under our programs to ensure that no single aspect of performance is driven in isolation. For a discussion of the reconciliation of these measures with generally accepted accounting principles, refer to Appendix A and the Company's Annual Report on Form 10-K for the year ended December 31, 2015.

**Metrics:**

The HRCC has approved certain corporate-level performance criteria to reflect the circumstances of the Company as an independent E&P company. The HRCC makes the determination, in judging how well the Company achieved these metrics, of the ultimate payout of our programs. The performance measures are as follows:

*Health, Safety and Environmental ("HSE")* We seek to be a good employer, good community member and good steward of the environmental resources we manage. Therefore, we incorporate multiple HSE metrics to comprehensively assess our performance, including Significant and High Risk Events, Major Process Safety Events, Process Fluid Containment, Total Recordable Incident Rates and Lost Workday Rates.

*Operational* This measure was adopted to focus on various operational elements. For VCIP, these include absolute targets for

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Production, Capital Expenditures, Operating & Overhead Costs, Direct Operating Efficiency (a measure of operational up-time), Reserve Replacement Ratio, and milestones for Exploration and Capital. For PSP, the elements include absolute targets for Production and Reserve Replacement Ratio. Although management may set internal targets for such elements in accordance with the budget and strategic plans, review of this measure and determination of performance success is made by the HRCC.

*Financial* This measure comprises several financial measures. For VCIP, it includes review of cash margins and net income per barrel of oil equivalent (BOE), both absolute and relative to peers, as well as absolute ROCE (discussed below) and CROCE (discussed below). For PSP, the elements include cash margins per BOE, both absolute and relative to peers, ROCE/CROCE, both absolute and relative to peers, and Production per Debt Adjusted Share, relative to peers. Although management may set internal targets for such elements in accordance with the budget and strategic plans, review of this measure and determination of performance success is made by the HRCC.

Adjusted Return on Capital Employed Our businesses are capital intensive, requiring large investments, in most cases over a number of years, before tangible financial returns are achieved. Therefore,



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we believe that a good indicator of long-term Company and management performance is the measure known as return on capital employed ("ROCE"). We calculate ROCE as a ratio, the numerator of which is net income plus after-tax interest expense, and the denominator of which is average capital employed (total equity plus total debt). In calculating ROCE, we adjust the net income (loss) of the Company for certain non-core earnings impacts.

**Adjusted Cash Return on Capital Employed** Similar to ROCE, cash return on capital employed ("CROCE") measures the Company's performance in efficiently allocating its capital. However, while ROCE is based on adjusted net income (loss), CROCE is based on cash flow, measuring the ability of the Company's capital employed to generate cash. CROCE is calculated by dividing adjusted EBIDA (earnings before interest, depreciation and amortization, adjusted for non-core earnings impacts) by average capital employed (total equity plus total debt).

**Production per Debt Adjusted Share** Production per share after adjusting for outstanding debt per share. The formula is:

**Strategic Plan** This measure is an analysis made by the HRCC of the Company's progress in implementing its strategic plan over a given performance period. This measure contains several distinct elements. For VCIP, these include Progress to Cash Flow Neutrality in 2017, Maintain Financial Strength and Flexibility, Organization (collaboration and matrix management), Align Growth Options with the 2015 \$11.5 Billion Capital Program and Stakeholder Relationships. For PSP, in addition to those elements, it also includes Culture, Governance, Diversity, Opportunity Capture, Policies/Controls, Reputation and Asset Sales.

**Relative Total Shareholder Return** TSR represents the percentage change in a company's common stock price from the beginning of a period of time to the end of the stated period, and assumes common stock dividends paid during the stated period are reinvested into that common stock. We use a total shareholder return measure because it is the most tangible measure of the value we have provided to our stockholders during the relevant program period. We seek to mitigate the influence of industry-wide or market-wide

conditions on stock price by using total shareholder return relative to our performance peer group. Consistent with market practice, this percentage is measured using 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.

Differences between the VCIP and PSP programs reflect the differences in the employee populations participating in the programs: VCIP is broadly based, with virtually all of our employees participating, while PSP is confined to senior management. In addition, VCIP uses a one-year performance period, while PSP uses a three-year performance period.

**Award Unit Performance Criteria**

With regard to VCIP, we measure the performance of the award units to which employees are assigned. There are 38 discrete award units within the Company designed to measure performance and to reward employees according to business outcomes relevant to the award group. Although most employees participate in a single award unit designated for the operational or functional group to which such employee is assigned, a Senior Officer may participate in a blend of the results of more than one of these award units depending on the scope and breadth of his or her responsibilities over the performance period. Members of our executive leadership team, which includes all of the Named Executive Officers, are handled somewhat differently, with the results from all award units being blended together on a salary-weighted basis (that is, the proportion of the total salaries of employees in that award unit to the total salaries paid by the Company) to determine the expected payout for the award

unit portion of VCIP, subject to the discretion of the HRCC to set the payout otherwise.

Performance criteria are goals consistent with the Company's operating plan and include quantitative and qualitative metrics specific to each award unit, such as production, control of costs, health, safety and environmental performance, support of corporate initiatives, and various milestones set by management. At the conclusion of a performance period, management makes a recommendation based on the unit's performance for the year against its performance criteria. The HRCC then reviews management's recommendation regarding each award unit's performance and has discretion to adjust any such recommendation in approving the final awards.

Table of Contents**Process for Determining Executive Compensation continued****Individual Performance Criteria**

Individual adjustments for our Senior Officers, including our Named Executive Officers, are approved by the HRCC, based on the recommendation of the CEO (other than for himself). The CEO's individual adjustment is determined by the Committee taking into account the prior review of the CEO's performance, which is conducted jointly by the HRCC and the Lead Director. The HRCC considers individual adjustments for each Named Executive Officer based on a subjective review of the individual's personal leadership and contribution to the Company's financial and operational success. The HRCC considers the totality of the executive's performance in deciding on any positive or negative individual adjustment.

**Tax-Based Program Criteria**

Our incentive programs are also designed to conform to the requirements of section 162(m) of the Internal Revenue Code, which allows for deductible compensation in excess of \$1 million if certain criteria, including the attainment of pre-established performance criteria, are met. In order for a Named Executive Officer to receive any award under either VCIP or PSP, certain threshold criteria must be met. This tier of performance measure and methodology is designed to meet requirements for deductibility of these items of compensation under section 162(m) of the Internal Revenue Code. Pursuant to this tier, maximum payments for the performance period under VCIP and PSP are set, but they are subject to downward adjustment through the application of the generally applicable methodology for VCIP and PSP awards previously discussed, effectively establishing a ceiling for VCIP and PSP payments to each Named Executive Officer. Threshold performance criteria for VCIP and PSP differed, due primarily to the different lengths in the threshold performance periods.

For 2015 VCIP, the criteria required that the Company meet one of the following measures as a threshold to an award being made to any Named Executive Officer:

- (1) Among the top seven of eleven specified companies in total shareholder return;
- (2) Reserve additions of at least 250 MMBBLs; or
- (3) Cash from operations of at least \$2.5 billion.

For PSP, the criteria for the 2013-2015 program period required that the Company meet one of the following measures as a threshold to an award being made to any Named Executive Officer:

- (1) Among the top seven of eleven specified companies in total shareholder return;
- (2) Reserve replacement (normalized for the impact of assets sales and assumptions made in our budgeting process) of at least 100%; or
- (3) Cash from operations (normalized for the impact of asset sales and assumptions made in our budgeting process as to price for oil equivalents and excluding non-cash working capital) of at least \$31.5 billion.

For both the 2015 VCIP and the PSP 2013-2015 program period, the specified companies for comparison were ConocoPhillips, ExxonMobil, Royal Dutch Shell, Chevron, Total, BP, Occidental, BG Group, Anadarko, Devon and Apache.

The performance criteria for this purpose are set by the HRCC and may change from year to year, although the criteria must come from a list of possible criteria set forth in the stockholder-approved 2011 Omnibus Stock and Performance Incentive Plan (the 2014 Omnibus Stock and Performance Incentive Plan for performance periods beginning after May 13, 2014). The award ceilings are also set by the HRCC each year, although they may not exceed limits set in the applicable stockholder-approved Omnibus Stock and Performance Incentive Plan. Determination of whether the criteria are met is made by the HRCC after the end of each performance period. While this design is intended to preserve

deductibility, the Committee reserves the right to grant non-deductible compensation and there is no guarantee that compensation payable pursuant to any of the Company's compensation programs will ultimately be deductible.

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## 2015 Executive Compensation Analysis and Results

The following is a discussion and analysis of the decisions of the HRCC in compensating our Named Executive Officers in 2015.

In determining performance-based compensation awards for our Named Executive Officers for performance periods concluding in 2015, the HRCC began by considering overall Company performance. The Committee then considered any adjustments to the awards under our three performance-based compensation programs (VCIP, PSP and Stock Option Program) in accordance with their terms and pre-established criteria, as the Committee retains the discretion to make a positive or negative adjustment to awards based on its determination of appropriate payouts. As a result, the Committee made the following award decisions under the Company's performance-based compensation programs.

### **Annual Incentive Variable Cash Incentive Program (VCIP)**

The VCIP payout is calculated using the following formula for all employees, including Senior Officers, subject to HRCC approval and discretion to set the award:

### **Corporate Performance**

The VCIP program is designed to incentivize all employees worldwide to execute their duties in a way that achieves the Company's approved strategy. In December 2014, the Committee approved five corporate performance measures (Health, Safety and Environmental, Operational, Financial, Strategic Plan, and Total Shareholder Return) by which it would judge performance. Each of the performance measures was given equal weight.

In determining award payouts under VCIP in 2015, members of the Committee met four times with management to review progress and performance against the measures and the approved metrics. This process allows the Committee to make informed decisions to positively or negatively adjust payouts where warranted. While we are pleased with our progress against the corporate performance measures in 2015, it is impossible to ignore the dramatic weakening of oil and gas prices. We successfully executed our plans against a rapidly changing environment. We met or exceeded most of our operational goals, completed major project startups and turnaround activities, and improved our underlying cost structure and safety

performance. We delivered on the things we could control. However, our financial performance was unfavorably impacted by the factors we could not control. An unprecedented downturn in oil and gas prices had a dramatic impact on our 2015 financial performance and continues to challenge the industry. While 2016 is barely underway, we have already taken significant actions to adjust our operating plan and reduce our dividend in response to very weak commodity prices and tightening credit markets across the industry.

In assessing our 2015 VCIP performance, the Committee felt it was important to recognize the strong operational performance the Company achieved last year, while acknowledging that prices negatively impacted our financial performance and our total shareholder return was negative. Thus, our 2015 VCIP payout reflects our efforts to balance our 2015 operational success with the financial realities of the business, and the HRCC exercised discretion to reduce the 2015 VCIP payout related to corporate performance as noted on the following page.



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**2015 Executive Compensation Analysis and Results continued**

The Committee considered the following quantitative and qualitative performance measures and made the following program and adjusted payout decisions:

\*

*Our operating costs reduction for 2015 vs. 2014 is a non-GAAP financial measure, and excludes dry holes and leasehold impairment. Our total production and operating, selling, general and administrative and exploration expenses increased 4% due to increased dry hole expense and leasehold impairments. A reconciliation determined in accordance with U.S. GAAP as well as a discussion of the usefulness and purpose of operating costs reduction are shown in Appendix A and at [www.conocophillips.com/nongaap](http://www.conocophillips.com/nongaap).*

\*\*

*Includes ~\$0.3B from liquidation of certain deferred compensation investments accounted for as cash from investing activities and ~\$0.1B from QG3 return of capital.*



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**VCIP Corporate Performance Since Spinoff**

- (1) **Financial Results Negative Adjustment of 80%; reduced to 0% payout.** We met our absolute targets, but prices negatively impacted our financial performance resulting in a \$1.7B adjusted earnings net loss\*. As a result, the Committee applied negative discretion to this metric.
  
- (2) **Strategic Plan Negative Adjustment of 60%; reduced to 80% payout.** The Company ran the business with a short-, medium- and long-term outlook in mind. That outlook drove decisions on our operating plans, deepwater exploration, asset sales and the COST Project. The recent action we took on the dividend was in response to a weak price outlook for 2016. While not a 2015 action, the Committee felt it was appropriate to apply negative discretion to the Strategic Plan metric for this action.
  
- (3) **Total Shareholder Return Negative Adjustment of 75%; reduced to 0% payout.** We finished in the middle of the pack in terms of TSR seventh among our performance peers. Under our criteria, this would have ordinarily resulted in a 75% payout for this metric. However, given the fact that TSR was negative 25%, the Committee applied negative discretion to this metric.

\*

*Our GAAP net earnings loss for the period was \$4.4B. Adjusted earnings (loss) is a non-GAAP financial measure. A reconciliation determined in accordance with U.S. GAAP as well as a discussion of the usefulness and purpose of adjusted earnings (loss) are shown in Appendix A and at [www.conocophillips.com/nongaap](http://www.conocophillips.com/nongaap).*



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**2015 Executive Compensation Analysis and Results continued**

**Award Unit Performance (50% of VCIP Payout)**

The award units were subject to the following metrics:

**Exploration & Production Operating Award Units 30% Production,  
30% Unit Cost, 25% Milestones and 15% HSE**

**Exploration & Production Non-Operating Award Units 60%  
Milestones, 15% Unit Cost, 10% Production and 15% HSE**

**Staffs, Technology & Projects and Commercial 65% 75% Milestones,  
20% E&P Award Unit Average and 5% 15% HSE**

Award unit performance payouts for our 38 award units ranged from 80% to 140% in 2015. The Committee approved an average award unit payout of 111.6% of target for each of our Named Executive Officers.

**Individual Performance Adjustments**

The Committee would normally consider individual adjustments for each Named Executive Officer's VCIP award based upon a subjective review of the individual's impact on the Company's financial and operational success during the year. However, based on the prolonged downturn in commodity prices, which has negatively impacted both our earnings and shareholder returns, the Committee made the decision not to make individual adjustments for each of our Named Executive Officers for 2015 VCIP. This was viewed as a 2016 action and does not represent a change in overall compensation philosophy.

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**Long-Term Incentive: Performance Share Program (PSP)**

In 2013, the HRCC approved a new performance period and performance metrics for PSP XI running from January 2013 - December 2015.

**Corporate Performance**

The PSP program is designed to incentivize senior leadership worldwide to execute their duties in a way that not only achieves the Company's approved strategy, but also closely aligns senior leadership with stockholder interests. The Performance Share Program is comprised of staggered three-year performance tranches that measure performance against three corporate performance metrics that were approved by the HRCC after the spinoff in 2012: Total Shareholder Return, which is weighted 40%; Operational/Financial, which is weighted 40% and Strategic Plan, which is weighted 20%.

In determining the payout for PSP XI, members of the HRCC met several times with management to review progress and performance against the measures and the approved metrics. This process allows the Committee to make informed decisions to positively or negatively adjust payouts where warranted.

The payout evaluation for PSP XI required an assessment of performance against the three corporate performance metrics for the three-year period from 2013 - 2015. Consistent with the process used to evaluate the previously described 2015 VCIP payout, the HRCC first

assessed performance based on the factors within our control. For the PSP XI period, the HRCC recognized senior leadership's success in executing our plans in a dynamic time for the Company and the industry. We met or exceeded most of our operational and absolute financial goals, completed several major project startups over the three-year period, dramatically increased our capital flexibility, lowered our underlying cost structure and improved our safety performance. These considerations resulted in a program payout of 126%, as shown in the table on the following page. However, the HRCC believed it was appropriate to apply negative discretion to both the Strategic Plan and Total Shareholder Return metrics, which reduced the payout to 108%.

The HRCC believes the PSP XI payout reflects the strong execution delivered by the senior leaders of the Company during the period from 2013 - 2015, yet also recognizes the negative share price performance resulting from exceptionally weak oil and gas prices in 2015 and early 2016. The HRCC believes it has demonstrated strong alignment between senior leadership and stockholder interests.

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**2015 Executive Compensation Analysis and Results continued**

The Committee considered the following quantitative and qualitative performance measures and made the following program and adjusted payout decisions:

\*

*Includes ~\$0.3B from liquidation of certain deferred compensation investments accounted for as cash from investing activities and ~\$0.1B from QG3 return of capital.*



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**PSP Corporate Performance Since Spinoff**

- (1) *Strategic Plan* **Negative Adjustment of 40%; reduced to 100% payout.** The Company ran the business with a short-, medium- and long-term outlook in mind. That outlook drove decisions on our operating plans, deepwater exploration, asset sales and the COST Project. The recent action we took on the dividend was in response to a weak price outlook for 2016. While not a 2015 action, the Committee felt it was appropriate to apply negative discretion to the Strategic Plan metric for this action.
  
- (2) *Total Shareholder Return* **Negative Adjustment of 25%; reduced to 100% payout.** We ranked fourth among our performance peers. Under our criteria, this would have ordinarily resulted in a 125% payout for this metric. However, given the fact that TSR was negative 2%, the Committee applied negative discretion to this metric.

**Individual Performance Adjustments**

With respect to individual adjustments, similar to the 2015 VCIP program, the Committee considered PSP individual adjustments for each Named Executive Officer in recognition of the individual's personal leadership and contribution to the Company's financial and operational success over the performance period. However, based on the prolonged downturn in commodity prices, which has negatively impacted both our earnings and shareholder returns, the Committee made the decision not to make individual adjustments for each of our Named Executive Officers for PSP XI. This was viewed as a 2016 action and does not represent a change in overall compensation philosophy.





Table of Contents**2015 Executive Compensation Analysis and Results continued****Long-Term Incentive: Stock Option Program**

Although the Committee retains discretion to adjust stock option awards by up to 30 percent from the specified target, the Committee did not elect to exercise such discretion with respect to the stock option awards granted in February 2015. All awards under the Stock Option Program for 2013, 2014 and 2015 were made at target. In

December 2015, the HRCC revised the Stock Option Program for years beginning in 2016 so that no upward adjustment of stock option awards would be allowed, eliminating the ability for the Committee to adjust stock option awards by up to 30%.

**2016 Target Compensation**

In addition to determining the 2015 compensation payouts, the HRCC established the targets for 2016 compensation for our Named Executive Officers under our four primary compensation programs. As a result of low commodity prices and economic uncertainty, the Company's management has implemented certain measures to reduce operating costs. Management made the difficult, but

necessary, decision to eliminate annual salary adjustments in 2015 and 2016 for employees, including the NEOs. As discussed under "Components of Executive Compensation" beginning on page 39, with the exception of salary, the targeted amounts shown below are performance-based and, therefore, actual amounts received under such programs, if any, may differ from these targets.

<b>Name</b>	<b>Salary</b>	<b>2016 VCIP Target Value</b>	<b>2016 Stock Option Award Target Value</b>	<b>PSP XIV (2016-2018) Target Value</b>	<b>Total 2016 Compensation Target</b>
R.M. Lance	\$ 1,700,000	\$2,720,000	\$4,632,000	\$6,948,000	\$16,000,000
J.W. Sheets	888,000	888,000	1,385,280	2,077,920	5,239,200
M.J. Fox	1,241,000	1,427,150	2,184,160	3,276,240	8,128,550
A.J. Hirshberg	1,096,000	1,260,400	1,928,960	2,893,440	7,178,800
D.E. Wallette, Jr.	874,000	874,000	1,363,440	2,045,160	5,156,600

On February 16, 2016, Jeffrey W. Sheets announced his decision to retire as Executive Vice President, Finance and Chief Financial Officer of ConocoPhillips. Mr. Sheets will remain in his position as Executive Vice President, Finance and Chief Financial Officer until April 1, 2016 and following that will remain an employee of ConocoPhillips through May 31, 2016 to provide support during the transition of his responsibilities. The following changes to the ConocoPhillips executive leadership team are effective April 1, 2016:

Donald E. Wallette, Jr. will become Executive Vice President, Finance, Commercial and Chief Financial Officer.

Alan J. Hirshberg will become Executive Vice President, Production, Drilling and Projects.

Matthew J. Fox will become Executive Vice President, Strategy, Exploration and Technology.

With these changes, the number of executive vice presidents will be reduced from four to three, and to recognize the additional responsibilities and duties of Messrs. Hirshberg and Wallette in their expanded roles, the HRCC approved a 10 percent increase in base salary effective April 1, 2016. This will result in a prorated increase in 2016 base salary and VCIP target value (not reflected in the table above) but will not impact 2016 long-term incentive target awards granted in February 2016. Mr. Sheets' 2016 base salary and VCIP target value will be prorated, and under the standard program terms and conditions, the 2016 stock options and PSP XIV target awards will be forfeited if less than six months have passed between the February 2016 stock option grant date and the retirement date, and for PSP XIV, if participation in the program is less than twelve months.

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## Other Executive Compensation and Benefits

### Other Compensation and Personal Benefits

In addition to our four primary compensation programs, we provide our Named Executive Officers a limited number of additional benefits as described below. In order to provide a competitive package of compensation and benefits, we provide our Named Executive Officers with executive life insurance coverage and nonqualified benefit plans. We also provide other benefits that are designed primarily to promote a healthy work/life balance, to provide opportunities for developing business relationships, and to put a human face on our social responsibility programs.

*Comprehensive Security Program* Because our executives face personal safety risks in their roles as representatives of a global E&P company, our Board of Directors has adopted a comprehensive security program for our executives.

*Personal Entertainment* We purchase tickets to various cultural, charitable, civic, entertainment, and sporting events for business development and relationship-building purposes, as well as to maintain our involvement in communities in which the Company operates. Occasionally, our employees, including our executives, make personal use of tickets that would not otherwise be used for business purposes. We believe these tickets offer an opportunity to expand the Company's networks at a very low or no incremental cost to the Company.

*Tax Gross-Ups* Certain of the personal benefits received by our executives are deemed by the Internal Revenue Service to be taxable income to the individual. When we determine that such income is incurred for purposes more properly characterized as Company business than personal benefit, we provide further payments to the executive to reimburse the cost of the inclusion of such item in the executive's taxable income. Most often, these tax gross-up payments are provided for travel by a family member or other personal guest to attend a meeting or function in furtherance of Company business, such as Board meetings, company-sponsored events, and industry and association meetings where spouses or other guests are invited or expected to attend. The Company believes that such travel is appropriately characterized as a business expense and, if the employee has imputed income in accordance with applicable tax laws, the Company will generally reimburse the employee for any increased tax costs.

*Executive Life Insurance* We provide life insurance policies and/or death benefits for all of our U.S.-based salaried employees (at no cost to the employee) with a face value approximately equal to the employee's annual salary. For each of our executives, we maintain an additional life insurance policy (at no cost to the executive) with a value equal to his or her annual salary. In addition to these two plans, we also provide our executives the option of purchasing group variable universal life insurance in an amount up to eight times their annual salaries. We believe this is a benefit valued by our executives that can be provided at no cost to the Company.

*Defined Contribution Plans* We maintain the following nonqualified defined contribution plans for our executives. These plans allow deferred amounts to grow tax-free until distributed, while enabling the Company to utilize the money for the duration of the deferral period for general corporate purposes.

Voluntary Deferred Compensation Plans The purpose of our voluntary nonqualified deferred compensation plans is to allow executives to defer a portion of their salary and annual incentive compensation so that such amounts are taxable in the year in which distributions are made.

Make-Up Plans The purpose of our nonqualified defined contribution make-up plans is to provide benefits that an executive would otherwise lose due to limitations imposed by the Internal Revenue Code on qualified plans.

Further information on these plans is provided under *Nonqualified Deferred Compensation* beginning on page 70.

*Defined Benefit Plans* We also maintain nonqualified defined benefit plans for our executives. The primary purpose of these plans is to provide benefits that an executive would otherwise lose due to limitations imposed by the Internal Revenue Code on qualified plans. With regard to our Named Executive Officers, the only such arrangement under which they are entitled to benefits of this type is the Key Employee Supplemental Retirement Plan ("KESRP"). This design is common among our competitors and we believe the lack of such a plan would put the Company at a disadvantage in attracting and retaining talented executives. Further information on the KESRP is provided under *Pension Benefits* beginning on page 66.

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## Other Executive Compensation and Benefits continued

### Severance Plans and Changes in Control

We maintain plans to address severance of our executives in certain circumstances as described under *Executive Severance and Changes in Control* beginning on page 71. The structure and use of these plans are competitive within the industry and are intended to aid the Company in attracting and retaining executives. Under each of our severance and change in control plans, the executive must terminate from service with the Company in order to receive severance pay. In 2012, the HRCC approved an amendment to the change in control severance plan to limit any payment of excise tax gross-ups under the plan to executives who had been participants in the plan prior to the spinoff, and to make executives who began participation in the plan after the spinoff ineligible for excise tax gross-ups under the plan. The HRCC chose to grandfather this provision for certain participants because, in the event of a change in control, the provisions of our long-term incentive pay through performance share units prior to the

spinoff left those participants with the potential of a large excise tax due to the program design. The HRCC determined that it would be unfair should this burden suddenly be shifted to the participants. The post-spin design of PSP to use periodic cash payouts reduced the potential impact to participants and, therefore, the HRCC chose to no longer provide excise tax gross-ups in the event of a change in control to new participants. In 2013, the HRCC further amended the change in control severance plan to limit single trigger vesting of equity awards to awards not assumed by an acquirer and for program periods that began prior to 2014. Awards assumed by an acquirer made with regard to later program periods under PSP or the Stock Option Program will only vest upon the occurrence of both a change in control event and termination of employment of the employee (usually called a "double trigger").

### Broadly Available Plans

Our Named Executive Officers are eligible to participate in the same basic benefits package as our other U.S. salaried employees. This includes expatriate benefits, relocation services, and retirement,

medical, dental, vision, life insurance, and accident insurance plans, as well as health savings accounts and flexible spending arrangements for health care and dependent care expenses.

## Executive Compensation Governance

### Alignment of Interests Stock Ownership and Holding Requirements

We place a premium on aligning the interests of executives with those of our stockholders. 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 six times salary for the CEO. Employees have five years from the date they become subject to these guidelines to comply. Holdings counted toward the guidelines include: (1) shares of stock owned individually or jointly, or in trusts controlled by the employee; (2) restricted stock and restricted stock units; (3) shares owned in qualified savings or stock ownership plans; (4) stock or units in nonqualified deferred compensation plans, whether vested or not

and (5) annual Performance Share Program target awards when approved by the Human Resources and Compensation Committee. Employees subject to the guidelines who have not reached the required level of stock ownership are expected to hold shares received upon vesting or earn-out of restricted stock, restricted stock units or performance shares (net of shares for taxes), and shares received upon exercise of stock options (net of shares tendered or withheld for payment of exercise price and shares for taxes), so that they meet their requirement in a timely manner. The multiple of equity held by each of our Named Executive Officers currently exceeds our established guidelines for his or her position.



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**Clawback Policy**

In 2012, the Committee approved a clawback policy providing that the Company shall recoup any incentive compensation (cash or equity) paid or payable to any executive by the Company to the extent such recoupment is required or contemplated by the provisions of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act"), the Sarbanes-Oxley Act, or any other applicable law or listing standards, which allows the Board to recoup compensation paid in the event of certain business circumstances, including a financial restatement. This policy operates in addition to provisions already contained in our award documents supporting grants under PSP, the Stock Option Program, and other compensatory programs using Company equity pursuant to which we can suspend rights 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 the Company, including acts of misconduct, such as embezzlement, fraud, theft or disclosure of confidential information, or other acts that harm our business, reputation, or employees, as well as misconduct resulting in the Company having to prepare an accounting restatement. Once final rules are released regarding clawback requirements under the Dodd-Frank Act, we intend to review our policies and plans and, if necessary, amend them to comply with the new mandates. To date, no Named Executive Officers have been subject to reductions or withdrawals of prior grants or payouts of cash, restricted stock, restricted stock units, or stock option awards.

**Anti-Pledging and Anti-Hedging**

The Company has a policy that prohibits our directors and executives from pledging of the Company's stock or hedging of or trading in derivatives of the Company's stock. This policy, together with the

Stock Ownership Guidelines discussed above, helps to assure that our Named Executive Officers and other Senior Officers remain subject to the risks, as well as the rewards, of stock ownership.

**Equity Grant Practices**

When the Committee grants Performance Share Units, options, or other equity grants to its Named Executive Officers, the Committee uses an average of the stock's high and low prices on the date of grant (or the preceding business day, if the markets are closed on the date of grant) to determine the value of the units or the exercise price of the options or other equity. Beginning in 2016, to determine the target number of awards, we use an average of the closing prices on

the ten trading days preceding the date of grant. Grants of Performance Share Units and option grants are generally made at the HRCC's February meeting (the date of which is determined at least a year in advance) or, in the case of new hires, on the date of commencement of employment or the date of Committee approval, whichever is later.

**Statutory and Regulatory Considerations**

In designing our compensatory programs, we take into account the various tax, accounting and disclosure rules associated with various forms of compensation. The HRCC also reviews and considers the deductibility of executive compensation under section 162(m) of the Internal Revenue Code and designs its deferred compensation programs with the intent that they comply with section 409A of the Internal Revenue Code. The Committee generally seeks to preserve

tax deductions for executive compensation. Nonetheless, the Committee has awarded compensation that is not fully tax deductible when it believes that doing so is in the best interests of our stockholders and reserves the right to do so in the future. There is no guarantee that compensation payable pursuant to any of the Company's compensation programs will ultimately be deductible by the Company.





Table of Contents**Executive Compensation Tables**

The following tables and accompanying narrative disclosures provide information concerning total compensation paid to the Chief Executive Officer and certain other officers of ConocoPhillips (the "Named Executive Officers"). Please also see our discussion of the relationship between the "Compensation Discussion and Analysis" to

these tables under "2015 Executive Compensation Analysis and Results" beginning on page 49. The data presented in the tables that follow include amounts paid to the Named Executive Officers by ConocoPhillips or any of its subsidiaries for 2015.

**Summary Compensation Table**

The *Summary Compensation Table* below reflects amounts earned with respect to 2015 and performance periods ending in 2015. We also provide 2016 target compensation for Named Executive Officers on page 56. The table does not include the cost of benefits that are

generally available to our U.S.-based salaried employees, such as our medical, dental, life and accident insurance, disability, and health savings and flexible spending account arrangements. All of our Named Executive Officers are U.S.-based salaried employees.

Position	Year	Salary(1)	Bonus(2)	Stock Awards(3)	Option Awards(4)	Non-Equity Incentive Plan Compensation(5)	Change in	All Other
							Pension Value and Nonqualified Deferred Compensation Earnings(6)	
CEO	2015	\$ 1,700,000	\$	\$ 6,630,693	\$ 5,790,780	\$ 2,524,160	\$ 4,392,300	\$ 301,786
	2014	1,700,000		6,116,797	5,790,798	3,568,640	9,933,060	467,776
	2013	1,666,667		6,791,925	5,790,510	4,618,667	3,584,523	985,500
	2015	888,000		1,983,038	1,732,464	824,064	1,606,855	93,372
	2014	888,000		1,829,298	1,731,951	1,120,656	2,727,863	102,490
CFO	2013	880,933		1,735,819	1,480,050	1,351,422	1,629,147	152,508
	2015	1,241,000		3,126,619	2,730,348	1,324,395	125,684	159,327
	2014	1,241,000		2,884,300	2,730,645	1,872,421	417,999	177,039
	2013	1,227,533		2,823,958	2,407,680	2,002,770	342,287	211,538
SVP	2015	1,096,000		2,761,283	2,411,712	1,169,651	1,190,020	159,072
	2014	1,085,667		3,219,979	2,016,711	1,602,444	3,676,401	146,230
	2013	1,025,833		2,022,024	1,724,580	1,621,925	195,369	205,554
SVP, Jr.	2015	874,000		1,951,740	1,704,798	811,072	1,091,611	85,414
	2014	874,000		1,800,494	1,704,492	1,102,988	2,263,159	133,181
	2013	814,050		1,747,530	1,272,150	1,260,717	2,830,080	857,701

(1)

*Includes any amounts that were voluntarily deferred under the Company's Key Employee Deferred Compensation Plan.*

(2)

*Because our primary short-term incentive compensation arrangement for salaried employees (the "Variable Cash Incentive Program" or "VCIP") has mandatory performance measures that must be achieved before there is any payout to Named Executive Officers, amounts paid under VCIP are shown in the Non-Equity Incentive Plan Compensation column of the table, rather than the Bonus column.*

(3)

*Amounts shown represent the aggregate grant date fair value of awards made under the Performance Share Program ("PSP") during each of the years indicated, as determined in accordance with FASB ASC Topic 718. See the "Employee Benefit Plans" section of Note 18 in the Notes to Consolidated Financial Statements in the Company's 2015 Annual Report on Form 10-K for a discussion of the relevant assumptions used in this determination.*

*The amounts shown for stock awards are from our PSP awards. No off-cycle awards were granted to any of the Named Executive Officers during 2013, 2014 and 2015. The amounts shown for awards from PSP relate to the respective three-year performance periods that began in each of the years presented. Performance periods under PSP generally cover a three-year period and, as a new performance period has begun each year since the program commenced, there are three overlapping performance periods ongoing at any time.*

*Due to the spinoff in 2012, an ongoing performance period (PSP IX for the performance period January 2011 December 2013) was terminated early and paid out on a pro rata basis. The performance program for the January 2012 December 2014 period (PSP X) as well as the remaining prorated targets in the performance program period that was terminated early (PSP IX Tail for the performance period May 2012 December 2013) were approved by the HRCC post-spin. Only promotional incremental targets associated with the post-spin PSP IX Tail program period for previously reported NEOs are included in the Stock Awards amount; for new NEOs the full target is reported. The amounts shown for 2013 include the full initial target for the 2013 PSP XI for the performance period January 2013 December 2015, as well as any incremental targets set during 2013 with regard to any ongoing performance period as a result of promotions. The amounts shown for 2014 include the full initial target for the 2014 PSP XII for the performance period January 2014 December 2016, as well as any incremental targets set during 2014 with regard to any ongoing performance period as a result of promotions. The amounts shown for 2015 include the full initial target for the 2015 PSP XIII for the performance period January 2015 December 2017, as well as any incremental targets set during 2015 with regard to any ongoing performance period as a result of promotions.*

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*Amounts shown represent the grant date fair value at target level under the PSP as determined pursuant to FASB ASC Topic 718. Amounts are shown at target for each year since it is most probable at the setting of the target for the applicable performance periods that targets will be achieved. If payout was made at maximum levels for company performance and excluding any individual adjustments, the amounts shown would double from the targets shown, although the value of the actual payout would be dependent upon the stock price at the time of the payout. If payout was made at minimum levels, the amounts would be reduced to zero. No adjustment is made to the target shown for prior years based upon any change in probability subsequent to the time the target is set. Changes to targets resulting from promotion or demotion of a Named Executive Officer are shown as awards in the year of the promotion or demotion, even though the awards may relate to a program period that began in an earlier year.*

*Actual payouts with regard to the targets for PSP XI (January 2013 – December 2015), were approved by the HRCC at its February 2016 meeting, at which the Committee determined the payouts to be made to Senior Officers (including the Named Executive Officers) for the performance period that began in January 2013 and ended in December 2015. Those payouts were made in February 2016 as follows (with values shown at fair market value on the date of settlement): The Named Executive Officers, pursuant to that decision, received the settlement in 2016 as follows: Mr. Lance, 126,302 units valued at \$4,291,110; Mr. Sheets, 32,279 units valued at \$1,096,679; Mr. Fox, 52,514 units valued at \$1,784,163; Mr. Hirshberg, 44,938 units valued at \$1,526,769; and Mr. Walette, 31,646 units valued at \$1,075,173.*

*Historically, awards under PSP were settled in restricted stock or restricted stock units that will generally be forfeited if the employee is terminated prior to the end of the escrow period set in the award (except in the cases of termination due to death, layoff, or retirement, or after disability or a change in control). For target awards for program periods beginning in 2008 and earlier, the escrow period lasts until separation from service, except in the cases of termination due to death, layoff, or retirement, or after disability or a change in control, when the escrow period ends at the exceptional termination event. For target awards for program periods beginning in 2009 through those beginning in 2012, the escrow period lasts five years from the settlement of the award (which would be more than eight years after the beginning of the program period, when measured including the performance period) unless the employee makes an election prior to the beginning of the program period to have the escrow period last until separation from service instead; except that in the cases of termination due to death, layoff, or retirement, or after disability or a change in control, the escrow period ends at the exceptional termination event. For target awards for program periods beginning in 2013 and later, the escrow period ends shortly after the end of the performance period, except that in the cases of termination due to death, layoff, or retirement, or after disability or a change in control, the escrow period ends at the exceptional termination event. In the event of termination due to layoff or retirement after age 55 with five years of service, a value for the forfeited restricted stock or restricted stock units will generally be credited to a deferred compensation account for the employee for awards made prior to 2005; for later awards, restrictions lapse in the event of termination due to layoff or early retirement after age 55 with five years of service, unless the employee has elected to defer receipt of the stock until a later time. For programs beginning in 2012 and later, settlement will be made in cash rather than unrestricted shares, although the employee may elect, prior to the beginning of the performance period, to have some or all of the settlement deferred into the Key Employee Deferred Compensation Plan.*

*Mr. Fox became an employee of ConocoPhillips on January 1, 2012. As an inducement to his employment, the HRCC approved the grant of 79,102 restricted stock units (valued at \$4,399,989), effective on the date of employment, the restrictions on which lapse as to one-half of the units on the fourth anniversary of his employment, while the remainder lapse on the fifth anniversary of his employment. Termination for any reason other than layoff, death, or disability results in forfeiture to the extent the award is not vested. On January 1, 2016, the first half of this award settled in 39,551 shares of common stock (prior to withholding for taxes) with a fair value on that date of \$1,840,704.*

*Furthermore, an additional grant of 20,518 units (valued at \$1,099,970) was made to Mr. Fox to provide value for certain compensation forgone due to his termination from his prior employer. The restrictions lapsed on the third anniversary of the grant date. This resulted in a settlement of unrestricted stock on May 8, 2015 of 20,518 shares of common stock (prior to withholding for taxes) with a fair value on that date of \$1,371,936.*

*On May 8, 2012, each Named Executive Officer who remained an active employee of the Company received grants during the year to reflect his or her increased duties and responsibilities. These awards were made as restricted stock units, used in lieu of stock options. The number of units and aggregate grant date fair value were as follows: Mr. Lance, 46,100 units, \$2,471,421; Mr. Sheets, 1,908 units, \$102,288; Mr. Fox, 10,703 units, \$573,788; Mr. Hirshberg, 4,687 units, \$251,270; and Mr. Walette, 6,109 units, \$327,503. The restrictions lapsed on the third anniversary of the grant date. Thus, on May 8, 2015, there was a settlement of shares of common stock (prior to withholding for taxes) with a fair value on that date as follows: Mr. Lance, 46,100 units, \$3,082,477; Mr. Sheets, 1,908 units, \$127,579; Mr. Fox, 10,703 units, \$715,656; Mr. Hirshberg, 4,687 units, \$313,396; and Mr. Walette, 6,109 units, \$408,478.*

(4)

*Amounts represent the dollar amount recognized as the aggregate grant date fair value, as determined in accordance with FASB ASC Topic 718. See the "Employee Benefit Plans" section of Note 18 in the Notes to Consolidated Financial Statements in the Company's 2015 Annual Report on Form 10-K for a discussion of the relevant assumptions used in this determination. All such options were awarded under the Company's Stock Option Program. Options awarded to Named Executive Officers under that program generally vest in three equal annual installments beginning with the first anniversary from the date of grant and expire ten years after the date of grant. However, if a Named Executive Officer has attained the early retirement age of 55 with five years of service, the value of the options granted is taken in the year of grant or over the number of months until the executive attains age 55 with five years of service.*

*Option awards are made in February of each year at a regularly-scheduled meeting of the HRCC. Occasionally, option awards may be made at other times, such as upon the commencement of employment of an individual. In determining the number of shares to be subject to these option grants, the HRCC uses a Black-Scholes-Merton-based methodology to value the options.*

(5)

*Includes amounts paid under VCIP and amounts that were voluntarily deferred to the Company's Key Employee Deferred Compensation Plan. See also note 2 above.*

(6)

*Amounts represent the actuarial increase in the present value of the Named Executive Officer's benefits under all pension plans maintained by the Company determined using interest rate and mortality rate assumptions consistent with those used in the Company's financial statements. Interest rate assumption changes have a significant impact on the pension values with periods of lower interest rates having the effect of increasing the*

*actuarial values reported and vice versa. Furthermore, with the increase in pensionable earnings that occurred with the promotions of the Named Executive Officers as a result of increased responsibilities upon the spinoff, the three-year final average earnings used as a factor in the benefit accrual has increased, resulting in a significant increase in the actuarial values reported each year until the three-year period has passed. This applies to each of the Named Executive Officers other than Mr. Fox, who is not in a final average earnings title of the Company's U.S. pension plans. See Pension Benefits beginning on page 66 of this Proxy Statement for further information.*

(7)

*As discussed in Compensation Discussion and Analysis beginning on page 29 of this Proxy Statement, ConocoPhillips provides its executives with a number of compensation and benefit arrangements. The tables below reflect amounts earned under those arrangements. We have excluded the cost of benefits that are generally available to our U.S.-based salaried employees, such as our medical, dental, life and accident insurance, disability, and health savings and flexible spending account arrangements. All of our Named Executive Officers are U.S.-based salaried employees. Certain of the amounts reflected below were paid in local currencies for Named Executive Officers with foreign compensation, which we value in this table in U.S. dollars using a monthly currency valuation for the month in which costs were incurred. All Other Compensation includes the following amounts, which were determined using actual cost paid by the Company unless otherwise noted:*

Table of Contents**Summary Compensation Table continued**

Personal Use of Company Aircraft(a)	Home Security and Other Security Related Costs(b)	Executive Group Life Insurance Premiums(c)	Tax Reimbursement Gross-Up(d)	Expatriate(e)	Meeting Presentations & Meeting Travel Reimbursement(f)	Matching Gift Program(g)	Matr Contributions Under Tax-Qual Savings I
104,258 \$	5,721	\$ 4,692	\$ 7,770	\$	\$ 1,345	\$ 25,000	\$ 23
200,846	50,934	4,692	20,055	22,078	1,171	15,000	23
330,869	94,591	4,600	14,151	305,108	2,043		22
		4,582	8,179		691		23
		4,582	2,470		518	15,000	23
		4,546	9,580		2,024	15,000	22
		6,404	25,114		1,119	15,000	23
	10,231	3,425	43,043		2,103	1,000	28
		3,388	35,206		6,704	4,000	17
	19,469	3,025	26,839		1,099	10,000	23
1,283		2,997	26,870		604	15,000	23
		2,831	25,748		1,665	29,500	27
	97	4,510	2,050		97		23
	7,260	4,510	9,436	30,456	662		23
		4,201	1,827	745,349	1,665		20

(a)

Amounts in this column represent the approximate incremental cost to ConocoPhillips for personal use of the aircraft, including travel for any family member or guest. Approximate incremental cost has been determined by calculating the variable costs for each aircraft during the year, dividing that amount by the total number of miles flown by that aircraft, and multiplying the result by the miles flown for personal use during the year. However, where there were identifiable costs related to a particular trip such as airport landing fees or food and lodging for aircraft personnel who remained at the location of the personal trip those amounts are separately determined and included in the table above. The amounts shown include incremental costs associated with flights to the Company hangar or other locations without passengers (commonly referred to as "deadhead" flights) which related to the non-business use of the aircraft by a Named Executive Officer. Upon Mr. Lance becoming the CEO, the Company's Comprehensive Security Program required that Mr. Lance fly on Company aircraft, unless the Global Security Department determines that other arrangements represent an acceptable risk.

(b)

The use of a home security system is required as part of ConocoPhillips' Comprehensive Security Program for certain executives and employees, including the Named Executive Officers, based on risk assessments made by the Company's Global Security Department. Amounts shown represent the approximate incremental cost to ConocoPhillips for the installation and maintenance of the home security system with features required by the Company in excess of the cost of a "standard" system typical for homes in the neighborhoods where the Named Executive Officers' homes are located. The Named Executive Officer pays the cost of the "standard" system himself. In addition, amounts shown reflect other security costs, primarily related to transportation and protection services provided under our Comprehensive Security Program if risk assessment indicated that

*enhanced procedures were warranted when an executive attended certain public events.*

(c)

*The amounts shown are for premiums paid by the Company for executive group life insurance provided by the Company, with a value equal to the employee's annual salary. In addition, certain employees of the Company, including the Named Executive Officers, are eligible to purchase group variable universal life insurance policies for which the employee pays all costs, at no incremental cost to the Company.*

(d)

*The amounts shown are for payments by the Company relating to certain taxes incurred by the employee. These taxes arise primarily when the Company requests family members or other guests to accompany the employee to Company functions and, as a result, the employee is deemed to make a personal use of Company assets (for example, when a spouse accompanies an employee on a Company aircraft) or when a retirement presentation is made to an employee. The Company believes that such travel is appropriately characterized as a business expense and, if the employee has imputed income in accordance with the applicable tax laws, the Company will generally reimburse the employee for any increased tax costs.*

(e)

*Messrs. Lance and Walette were previously on assignment in Singapore, and Mr. Fox was previously on assignment in Canada related to service prior to his re-joining the Company in January 2012. These amounts reflect net expatriate benefits under our standard policies for such service outside the United States, and these amounts include payments for increased tax costs related to such expatriate assignments and benefits. Amounts shown in the table above also reflect amended tax equalization and similar payments under our expatriate services policies that were made to and from, or on behalf of, the Named Executive Officer that were paid or received during a given year but apply to earnings of prior years, but which were unknown or not capable of being estimated with any reasonable degree of accuracy in prior years. These amounts are returned to the Company when they are known or received through the tax reporting and filing process. Not included in the table are amounts less than \$0 that primarily relate to tax amounts returned to the Company in the normal course of the expatriate tax protection process that may relate to a prior period. The amounts noted for Mr. Fox would have been negative \$41,455 in 2014, with a further positive adjustment of \$1,065, for a net negative amount of \$40,390. The amounts noted for Mr. Fox would have been negative \$16,909 in 2015, with a further positive adjustment of \$1,292, for a net negative amount of \$15,617.*

(f)

*The amounts in this column represent the cost of presentations made to employees and their spouses at Company meetings and reimbursements for the cost of spousal attendance at such meetings. The amounts shown reflect invoiced cost to the Company. The amounts include certain expenses discovered in the current year that relate to prior years, which had the effect of increasing the amounts reported for 2013 and 2014 by \$1,091 and \$5,058, respectively.*

(g)

*The Company maintains a Matching Gift Program under which certain gifts by employees to qualified educational or charitable institutions are matched. For executives, the program matches up to \$15,000 with regard to each program year (the limit was reduced to \$10,000 effective June 1, 2015 for gifts made after that date). Administration of the program can cause more than the limit to be paid in a single fiscal year of the Company, due to processing claims from more than one program year in that single fiscal year. The amounts shown are for the actual payments by the Company during the year.*

(h)

*Under the terms of its tax-qualified defined contribution plans, the Company makes matching contributions and allocations to the accounts of its eligible employees, including the Named Executive Officers.*

(i)

*Under the terms of its nonqualified defined contribution plans, the Company makes contributions to the accounts of its eligible employees, including the Named Executive Officers. See the narrative, table, and notes to the Nonqualified Deferred Compensation Table for further information.*

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Table of Contents**Grants of Plan-Based Awards Table**

The *Grants of Plan-Based Awards Table* is used to show participation by the Named Executive Officers in the incentive compensation arrangements described below.

The columns under the heading *Estimated Future Payouts Under Non-Equity Incentive Plan Awards* show information regarding VCIP. The amounts shown in the table are those applicable to the 2015 program year using a minimum of zero and a maximum of 250 percent of VCIP target for each participant and do not represent actual payouts for that program year. Actual payouts for the 2015 program year were made in February 2016 and are shown in the *Summary Compensation Table* under the *Non-Equity Incentive Plan Compensation* column.

The columns under the heading *Estimated Future Payouts Under Equity Incentive Plan Awards* show information regarding PSP. The amounts shown in the table are those set for 2015 compensation tied to the 2015 through 2017 program period under PSP (PSP XIII) and do not represent actual payouts for that program year. Amounts also include awards or adjustments made in 2015 due to hiring or promotion of Named Executive Officers.

The *All Other Option Awards* column reflects option awards granted under the Stock Option Program. The option awards shown were granted on the same day that the target was approved and vest ratably over a three year period. For the 2015 program year under the Stock Option Program, targets were set and awards granted at the regularly scheduled February 2015 meeting of the HRCC.

Name	Grant Date(1)	Estimated Future Payouts Under Non-Equity Incentive Plan Awards(2)		Estimated Future Payouts Under Equity Incentive Plan Awards(3)		All Other Stock Awards: Number of Shares of Underlying Securities(4)	All Other Option Awards: Number of Options(5)	Exercise or Base Price of Awards(6)	Exercise or Base Price of Awards(6)	Fair Value of Stock and Options(6)
		Target (\$)	Maximum (\$)	Target (#)	Maximum (#)	Units (#)	Options (#)	(\$Sh)(4)	(\$Sh)(5)	Awards(6)
R.M. Lance	2/17/2015	\$ 2,720,000	\$ 6,800,000					\$	\$	\$
	2/17/2015			95,757	191,514		607,000	69.24500	69.47	5,790,780
J.W. Sheets	2/17/2015	888,000	2,220,000							6,630,693
	2/17/2015			28,638	57,276		181,600	69.24500	69.47	1,732,464
M.J. Fox	2/17/2015	1,427,150	3,567,875							1,983,038
	2/17/2015			45,153	90,306		286,200	69.24500	69.47	2,730,348
A.J. Hirshberg	2/17/2015	1,260,400	3,151,000							3,126,619
	2/17/2015			39,877	79,754		252,800	69.24500	69.47	2,411,712
D.E. Walette, Jr.	2/17/2015	874,000	2,185,000							2,761,283
	2/17/2015			28,186	56,372		178,700	69.24500	69.47	1,704,798
										1,951,740

(1)

The grant date shown is the date on which the HRCC approved the target awards or in the case of pro-rated promotional awards under the PSP program, the effective date of the promotion.

(2)

*Threshold and maximum awards are based on the program provisions under VCIP. Actual awards earned can range from zero to 200 percent of the target awards for corporate and award unit performance, with a further possible adjustment of up to 50 percent of the target awards for individual performance. Amounts reflect estimated possible cash payouts under VCIP after the close of the performance period. The estimated amounts are calculated based on the applicable annual target and base salary for each Named Executive Officer in effect for the 2015 performance period. If threshold levels of performance are not met, then the payout can be zero. The HRCC also retains the authority to make awards under the program at its discretion. Actual payouts under VCIP for 2015 are based on actual base salaries earned in 2015 and are reflected in the Non-Equity Incentive Plan Compensation column of the Summary Compensation Table on page 60.*

(3)

*Threshold and maximum awards are based on the program provisions under the PSP. Actual awards earned can range from zero to 200 percent of the target awards. The HRCC retains the authority to make awards under the program at its discretion, including awards greater than the maximum payout, although at its December 2014 meeting, the HRCC adopted a resolution limiting the award to 200 percent of target for future awards.*

(4)

*The exercise price is the average of the high and low prices of ConocoPhillips common stock, as reported on the NYSE, on the date of the grant (or on the last preceding date for which there was a reported sale, in the absence of any reported sales on the grant date). Accordingly, the option has no immediately realizable value on the grant date, and any potential payout reflects an increase in share price after the grant date. The Company's stockholder-approved 2014 Omnibus Stock and Performance Incentive Plan provides for the use of such an average price in setting the exercise price on options, unless the HRCC directs otherwise. The immediate predecessor plans, the stockholder-approved 2004, 2009, and 2011 Omnibus Stock and Performance Incentive Plans, had the same provision. Grants made before May 13, 2009, were made under the 2004 Plan, grants made before May 11, 2011, but after May 12, 2009, were made under the 2009 Plan, and grants made before May 13, 2014, but after May 11, 2011, were made under the 2011 Plan.*

(5)

*The closing price is the closing price of ConocoPhillips common stock, as reported on the NYSE, on the date of the grant.*

(6)

*For equity incentive plan awards, these amounts represent the grant date fair value at target level under PSP as determined pursuant to FASB ASC Topic 718 and reflected in the Stock Awards column in the Summary Compensation Table on page 60. For option awards, these amounts represent the grant date fair value of the option awards determined under FASB ASC Topic 718 using a Black-Scholes-Merton-based methodology to value the options. Actual value realized upon vesting of the PSP award or option exercise depends on market prices at the time of exercise. See the "Employee Benefit Plans" section of Note 18 in the Notes to Consolidated Financial Statements in the Company's 2015 Annual Report on Form 10-K, for a discussion of the relevant assumptions used in this determination.*



Table of Contents**Outstanding Equity Awards at Fiscal Year End**

The *Outstanding Equity Awards at Fiscal Year End* table is used to show equity awards measured in Company stock held by the Named Executive Officers.

Name	Option Awards(1)				Stock Awards(7)				
	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested	Market Value of Shares or Units of Stock That Have Not Vested (\$)	Equity Incentive Plan Awards: Number of Shares, Units, or Rights That Have Not Vested (#)(13)	Equity Incentive Plan Awards: Market or Payout of Unearned Shares, Units, or Rights That Have Not Vested (\$)
R.M. Lance	35,485			\$ 50.6100	02/08/2017				\$
	44,896			60.5300	02/14/2018				
	61,115			34.6700	02/12/2019				
	98,949			36.9000	02/12/2020				
	87,174			53.4700	02/10/2021				
	105,098			54.8000	02/09/2022				
	389,933	194,967(4)		58.0775	02/05/2023				
	189,800	379,600(5)		65.4630	02/18/2024				
	607,000(6)		69.2450	02/17/2025					
					648,883(8)	30,296,347	189,196	8,833,561	
J.W. Sheets	17,386			50.6100	02/08/2017				
	17,127			60.5300	02/14/2018				
	43,146			34.6700	02/12/2019				
	46,578			36.9000	02/12/2020				
	53,131			53.4700	02/10/2021				
	82,586			54.8000	02/09/2022				
	99,666	49,834(4)		58.0775	02/05/2023				
	56,766	113,534(5)		65.4630	02/18/2024				
	181,600(6)		69.2450	02/17/2025					
					257,669(9)	12,030,566	56,582	2,641,814	
M.J. Fox	21,783			54.8000	02/09/2022				
	81,067	81,067(4)		58.0775	02/05/2023				
	89,500	179,000(5)		65.4630	02/18/2024				
		286,200(6)		69.2450	02/17/2025				
					268,476(10)	12,535,144	89,213	4,165,355	
A.J. Hirshberg	87,174			53.4700	02/10/2021				
	105,098			54.8000	02/09/2022				
	116,133	58,067(4)		58.0775	02/05/2023				

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	66,100	132,200(5)	65.4630	02/18/2024				
		252,800(6)	69.2450	02/17/2025				
					217,670(11)	10,163,012	78,434	3,662,083
D.E. Walette, Jr.	7,619(3)		45.0500	02/10/2016				
	13,624		50.6100	02/08/2017				
	13,377		60.5300	02/14/2018				
	28,121		34.6700	02/12/2019				
	31,311		36.9000	02/12/2020				
	34,407		53.4700	02/10/2021				
	42,322		54.8000	02/09/2022				
	85,666	42,834(4)	58.0775	02/05/2023				
	55,866	111,734(5)	65.4630	02/18/2024				
		178,700(6)	69.2450	02/17/2025				
					176,319(12)	8,232,334	55,690	2,600,166

(1)

*All options shown in the table have a maximum term for exercise of ten years from the grant date. Under certain circumstances, the terms for exercise may be shorter, and in certain circumstances, the options may be forfeited and cancelled. All awards shown in the table have associated restrictions on transferability.*

(2)

*The options shown in this column vested and became exercisable in 2015 or prior years (although under certain termination circumstances, the options may still be forfeited). Options become exercisable in one-third increments on the first, second, and third anniversaries of the grant date.*

(3)

*These options expired unexercised on February 10, 2016, the stock price on that date being less than the exercise price.*

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- (4) *Represents the final one-third vesting of the February 5, 2013, grant, which became exercisable on February 5, 2016.*
- (5) *Represents the final two-thirds vesting of the February 18, 2014, grant, half of which became exercisable on February 18, 2016, and the remainder to become exercisable on February 18, 2017.*
- (6) *Represents the February 17, 2015, grant, one-third of which became exercisable on February 17, 2016, one-third of which will become exercisable on February 17, 2017, and the final third of which will become exercisable on February 17, 2018.*
- (7) *No stock awards were made to the Named Executive Officers in 2015 except as a long-term incentive award under the PSP (shown in the columns labeled "Stock Awards") or pursuant to elections made by a Named Executive Officer to receive cash compensation in the form of restricted stock units. Amounts above include PSP awards for the performance period that completed in December 2015 (PSP XI), shown at adjusted target. At its February 16, 2016 meeting, the HRCC approved final payout levels for the Named Executive Officers with regard to PSP XI, as follows: Mr. Lance, 126,302 shares; Mr. Sheets, 32,279 shares; Mr. Fox, 52,514 shares; Mr. Hirshberg, 44,938 shares; and Mr. Wallette, 31,646 shares. Stock awards shown in the columns entitled Number of Shares or Units of Stock That Have Not Vested and Market Value of Shares or Units of Stock That Have Not Vested continue to have restrictions upon transferability. Under the PSP, stock awards are made in the form of restricted stock units or restricted stock, the former having been used in the most recent awards. The terms and conditions of both are substantially the same, requiring restriction on transferability until separation from service from the Company, although for performance periods beginning after 2008 and before 2013, restrictions will lapse five years from the anniversary of the grant date unless the employee has elected prior to the beginning of the performance period to defer the lapsing of such restrictions until separation from service from the Company. For performance periods beginning after 2012, restrictions will lapse three years after the award date. Except in cases where the five-year provision applies, forfeiture is expected to occur if the separation is not the result of death, disability, layoff, retirement after the executive has reached the age of 55 with five years of service, or after a change of control, although the HRCC has the authority to waive forfeiture. Restricted stock awards have voting rights and pay dividends. Restricted stock unit awards have no voting rights and pay dividend equivalents, but no dividend equivalents are paid or accrued for awards made under the PSP until after the applicable performance period has ended. Dividend equivalents, if any, on restricted stock units held are paid in cash or credited to each officer's account in the form of additional stock units. Neither pays dividends or dividend equivalents at preferential rates. Restricted stock held by the Named Executive Officers prior to November 17, 2001 was converted to restricted stock units prior to the completion of the merger of Conoco Inc. and Phillips Petroleum Company, with the original restrictions still in place. Awards for ongoing performance periods under PSP beginning prior to 2015 (PSP XII [January 2014 December 2016] and PSP XIII [January 2015 December 2017]) are shown at target levels in the columns entitled Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested and Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested. There is no assurance that these awards will be granted at, below, or above target after the end of the relevant performance periods, as the determination of whether to make an actual grant and the amount of any actual grant for Named Executive Officers is within the discretion of the HRCC. Until an actual grant is made, these target awards have no voting rights and pay no dividends or*

*dividend equivalents. Stock awards shown reflect the closing price of ConocoPhillips common stock, as reported on the NYSE, on December 31, 2015 (\$46.69), the last trading day of 2015.*

*Amounts presented in Number of Shares or Units of Stock That Have Not Vested and Market Value of Shares or Units of Stock That Have Not Vested represent restricted stock and restricted stock unit awards granted with respect to prior periods. The plans and programs under which such grants were made provide that awards made in the form of restricted stock and restricted stock units be held in such form until the recipient retires (with respect to awards made before 2009) or eight years (with respect to awards made from 2009 through 2012), with the possible election to hold until retirement, or three years (with regard to awards made in 2013 or later), with payouts for the last to be made in cash (unless voluntarily deferred to an account in the Company's Key Employee Deferred Compensation Plan). If such awards immediately vested upon completion of the relevant performance period, as we are informed by our compensation consultant is more typical for restricted stock programs, the amounts reflected in this column would be zero for awards made in years prior to 2012.*

(8)

*Includes 7,624 restricted shares for LTIP VIII PSP I initial payout for which restrictions lapse at retirement; includes 5,834 restricted stock units for LTIP VIII LTIP IX for which restrictions lapse at retirement; includes 106,204 restricted stock units related to grants for PSP I final payout PSP VI for which restrictions lapse following separation from service; includes 99,538 restricted stock units related to grants for PSP VII PSP IX for which restrictions lapse five years from grant date; includes 31,939 restricted stock units related to grants for PSP VIII Tail, 117,833 restricted stock units related to grants for PSP IX Tail, 162,965 restricted stock units related to grants for PSP X, for which restrictions lapse five years from grant date of final approved award and that will be settled in cash, and 116,946 restricted stock units related to grants for PSP XI, for which restrictions lapsed on February 18, 2016 and settled in cash, although the employee may have elected, prior to the beginning of the performance period, to have some or all of the settlement deferred into the Key Employee Deferred Compensation Plan. For certain awards, Mr. Lance has voluntarily elected to defer the lapsing of restrictions until separation from service. Subsequent elections may also impact the final timing of the payout of these awards.*

(9)

*Includes 5,724 restricted shares for LTIP X and PSP I initial payout for which restrictions lapse at retirement; includes 8,310 restricted stock units for LTIP VII LTIP IX for which restrictions lapse at retirement; includes 61,433 restricted stock units related to grants for PSP I final payout PSP VI for which restrictions lapse following separation from service; includes 66,429 restricted stock units related to grants for PSP VII PSP IX for which restrictions lapse five years from grant date; includes 7,021 restricted stock units related to grants for PSP VIII Tail, 30,251 restricted stock units related to grants for PSP IX Tail, and 48,613 restricted stock units related to grants for PSP X, for which restrictions lapse five years from grant date of final approved award and that will be settled in cash, and 29,888 restricted stock units related to grants for PSP XI, for which restrictions lapsed on February 18, 2016 and settled in cash, although the employee may have elected, prior to the beginning of the performance period, to have some or all of the settlement deferred into the Key Employee Deferred Compensation Plan. For certain awards, Mr. Sheets has voluntarily elected to defer the lapsing of restrictions until separation from service. Subsequent elections may also impact the final timing of the payout of these awards.*

(10)

*Includes 5,684 restricted stock units related to grants for PSP VIII and IX for which restrictions lapse five years from grant date; includes 11,303 restricted stock units related to grants for PSP VIII Tail, 49,591 restricted stock units related to grants for IX Tail, and 74,172 restricted stock units related to grants for PSP X, for which restrictions lapse five years from grant date of final approved award and that will be settled in cash, and 48,624 restricted stock units related to grants for PSP XI, for which restrictions lapsed on*

*February 18, 2016 and settled in cash, although the employee may have elected, prior to the beginning of the performance period, to have some or all of the settlement deferred into the Key Employee Deferred Compensation Plan. Also includes 79,102 restricted stock units for which restrictions lapsed 50 percent on January 1, 2016, and 50 percent will lapse on January 1, 2017. Subsequent elections may also impact the final timing of the payout of these awards.*

(11)

*Includes 63,407 restricted stock units related to grants for PSP VII PSP IX for which restrictions lapse five years from grant date; includes 10,698 restricted stock units related to grants for PSP VIII Tail, 38,322 restricted stock units related to grants for PSP IX Tail, and 63,634 restricted stock units related to grants for PSP X, for which restrictions lapse five years from grant date of final approved award and that will be settled in cash, and 41,609 restricted stock units related to grants for PSP XI, for which restrictions lapsed on February 18, 2016 and settled in cash, although the employee may have elected, prior to the beginning of the performance period, to have some or all of the settlement deferred into the Key Employee Deferred Compensation Plan. Subsequent elections may also impact the final timing of the payout of these awards.*

(12)

*Includes 31,099 restricted stock units related to grants for PSP I final payout PSP VI for which restrictions lapse following separation from service; includes 38,061 restricted stock units related to grants for PSP VII PSP IX for which restrictions lapse five years from grant date; includes 6,528 restricted stock units related to grants for PSP VIII Tail, 27,522 restricted stock units related to grants for PSP IX Tail, and 43,777 restricted stock units related to grants for PSP X, for which restrictions lapse five years from grant date of final approved award and that will be settled in cash, and 29,302 restricted stock units related to grants for PSP XI, for which restrictions lapsed on February 18, 2016 and settled in cash, although the employee may have elected, prior to the beginning of the performance period, to have some or all of the settlement deferred into the Key Employee Deferred Compensation Plan. For certain awards, Mr. Walleto has voluntarily elected to defer the lapsing of restrictions until separation from service. Subsequent elections may also impact the final timing of the payout of these awards.*

(13)

*Reflects potential stock awards under ongoing performance periods for the PSP, for the performance periods from January 2014 through December 2016 (Mr. Lance, 93,439 target units; Mr. Sheets, 27,944 target units; Mr. Fox, 44,060 target units; Mr. Hirshberg, 38,557 target units; and Mr. Walleto, 27,504 target units) and January 2015 through December 2017 (Mr. Lance, 95,757 target units; Mr. Sheets, 28,638 target units; Mr. Fox, 45,153 target units; Mr. Hirshberg, 39,877 target units; and Mr. Walleto, 28,186 target units). There is no assurance that these awards will be granted at, below, or above target after the end of the relevant performance periods, as the determination of whether to make an actual grant and the amount of any actual grant for Named Executive Officers is within the discretion of the HRCC.*



Table of Contents**Option Exercises and Stock Vested**

The *Option Exercises and Stock Vested* table is used to show equity awards measured in Company stock where there was an option exercised by, or a stock award that vested to, a Named Executive Officer.

Name	Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise	Value Realized upon Exercise	Number of Shares Acquired on Vesting	Value Realized Upon Vesting
R.M. Lance	23,061	\$ 73,103	46,100(1)	\$ 3,082,477
J.W. Sheets	15,746	140,928	4,677(1)(2)	281,445
M.J. Fox			31,221(1)(3)	2,087,592
A.J. Hirshberg			4,687(1)	313,396
D.E. Wallette, Jr.			6,109(1)	408,478

(1)

*On May 8, 2012, each Named Executive Officer who remained an active employee of the Company received grants during the year to reflect his or her increased duties and responsibilities. These awards were made as restricted stock units, used in lieu of stock options. The number of units and aggregate grant date fair value were as follows: Mr. Lance, 46,100 units, \$2,471,421; Mr. Sheets, 1,908 units, \$102,288; Mr. Fox, 10,703 units, \$573,788; Mr. Hirshberg, 4,687 units, \$251,270; and Mr. Wallette, 6,109 units, \$327,503. The restrictions lapsed on the third anniversary of the grant date. Thus, on May 8, 2015, there was a settlement of shares of common stock with a fair value (prior to withholding for taxes) on that date as follows: Mr. Lance, 46,100 units, \$3,082,477; Mr. Sheets, 1,908 units, \$127,579; Mr. Fox, 10,703 units, \$715,656; Mr. Hirshberg, 4,687 units, \$313,396; and Mr. Wallette, 6,109 units, \$408,478.*

(2)

*On October 8, 2015, the HRCC approved the lapsing of restrictions on 2,769 shares for Mr. Sheets granted under LTIP VII LTIP IX with a fair value on that date of \$153,866 (prior to withholding for taxes).*

(3)

*On May 8, 2012, an additional grant of 20,518 units (valued at \$1,099,970) was made to Mr. Fox to provide value for certain compensation forgone due to his termination from his prior employer. The restrictions lapsed on the third anniversary of the grant date. This resulted in a settlement of unrestricted stock on May, 8, 2015 of 20,518 shares of common stock (prior to withholding for taxes) with a fair value on that date of \$1,371,936.*

**Pension Benefits**

ConocoPhillips maintains several defined benefit plans for its eligible employees. With regard to U.S.-based salaried employees, the defined benefit plan that is qualified under the Internal Revenue Code is the ConocoPhillips Retirement Plan ("CPRP").

The CPRP is a non-contributory plan that is funded through a trust. The CPRP consists of eight titles, each one corresponding to a different pension formula and having numerous other differences in terms and conditions. Employees are eligible for current participation in only one title (although an employee may also have a frozen benefit under one or more other titles), and eligibility is based on heritage company and time of hire. Of the Named Executive Officers, Messrs. Lance, Sheets, and Wallette (having been employees of Phillips Petroleum Company) are eligible for, and vested in, benefits under Title I of the CPRP, and Messrs. Fox and Hirshberg are eligible for, and vested in, benefits under Title II.

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Under Title I, employees become vested in the benefits after five years of service, and Messrs. Lance, Sheets, and Walette are vested in their benefits under Title I. Under Title II, employees become vested in their benefits after three years of service, and Messrs. Fox and Hirshberg are vested in their benefits under Title II. Titles I and II allow the employee to elect the form of benefit payment from among several annuity types or a single sum payment option, but all of the options are actuarially equivalent.

Title I provides a final average earnings type of pension benefit for eligible employees payable at normal or early retirement from the Company. Under Title I, normal retirement occurs upon termination on or after age 65; early retirement can occur at age 55 with five years of service (or if laid off during or after the year in which the participant reaches age 50). Under Title I, early retirement benefits are reduced by 5 percent per year for each year before age 60 that benefits are paid, but for benefits that commence at or after age 60, the benefit is unreduced. Messrs. Sheets and Walette were eligible for early retirement at the end of 2015 under the terms of Title I; Mr. Lance was not.

Retirement benefits under Title I are calculated as the product of 1.6 percent times years of credited service multiplied by the final annual eligible average compensation. Final annual eligible average compensation is calculated using the three highest consecutive years in the last 10 calendar years before retirement plus the year of retirement. Such benefits are reduced by the product of 1.5 percent of the annual primary Social Security benefit multiplied by years of credited service, although a maximum reduction limit of 50 percent may apply in certain cases. The formula below provides an illustration as to how the retirement benefits are calculated. For purposes of the formula, "pension compensation" denotes the final annual eligible average compensation described above.

$$[1.6\% \times \text{Pension Compensation} \times \text{Years of Credited Service}] - [1.5\% \times \text{Annual Primary SS Benefit} \times \text{Years of Credited Service}]$$

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Eligible pension compensation generally includes salary and annual incentive compensation. However, under Title I, if an eligible employee receives layoff benefits from the Company, eligible pension compensation includes the annualized salary for the year of layoff, rather than actual salary, and years of credited service are increased by any period for which layoff benefits are calculated. Furthermore, certain foreign service as an employee of Phillips Petroleum Company is counted as time and a quarter when determining the service element in the benefit formula under Title I. Among the Named Executive Officers, only Mr. Walette had any time credited for such foreign service. The notes to the table on page 69 provide further detail on that credited service. The plan was amended so that no extra service is credited with regard to foreign assignments after 1991.

Benefits under Title II are based on monthly pay and interest credits to a cash balance account created on the first day of the month after a participant's hire date. Pay credits are equal to a percentage of total salary and annual incentive compensation. Participants whose combined years of age and service total less than 44 receive a 6 percent pay credit, those with 44 through 65 receive a 7 percent pay credit, and those with 66 or more receive a 9 percent pay credit. Normal retirement age is 65, but participants may receive their vested benefit upon termination of employment at any age.

Eligible pension compensation under Titles I and II is limited in accordance with the Internal Revenue Code. In 2015, that limit was \$265,000. The Internal Revenue Code also limits the annual benefit (expressed as an annuity) available under Titles I and II. In 2015, that limit was \$210,000 (reduced actuarially for ages below 62).

In addition to participation in the U.S.-based plans as described above, Mr. Fox is a participant in the ConocoPhillips UK Pension Plan (the UK Plan), a defined benefit pension plan that is funded through a trust, with regard to the time he was on the U.K. payroll. The UK Plan is a U.K. registered plan with Her Majesty's Revenue and Customs. The UK Plan consists of two sections: the ConocoPhillips section and the Heritage Conoco section. The ConocoPhillips section is contributory. The Heritage Conoco section is non-contributory. Mr. Fox is vested in and will be eligible for a benefit as a deferred vested participant in the Heritage Conoco section. Mr. Fox is retirement eligible, having reached age 55. The UK Plan provides a final average earnings type of pension benefit for eligible employees payable at normal pension age or early retirement upon approval by the Pension Board of Trustee Directors. Under the provisions of the UK Plan, a member is entitled to receive their full benefits upon attainment of normal pension age (60 in the case of a Heritage Conoco member) subsequent to termination. Early retirement may occur after termination after reaching age 55, but results in reduced benefits for each year prior to age 60 that benefits are paid. In general, retirement benefits are calculated as the product of 1.75% times years of credited service times final pensionable salary. Final pensionable salary is generally

basic annual salary plus pensionable allowances earned in the 12 months before active membership in the UK Plan ceased. The UK Plan allows participants a choice of taking a full annuity or a tax free cash lump sum up to 25% of the value of the benefit and a reduced annuity. Both choices are actuarially equivalent and the lump sum is capped at 25% of the lifetime allowance.

As a registered pension plan, the maximum total increase in value that can occur in a tax year under all U.K. registered pension plans is equal to the annual allowance, plus any unused allowances from the three prior tax years. The annual allowance for tax years 2013/2014 was £50,000 and for each of tax years 2014/2015 and 2015/2016 is £40,000. Annual savings in excess of the maximum total increase are subject to tax charge. In addition, a lifetime allowance is imposed. The standard lifetime allowance for tax year is £1.25 million. If the total value of U.K. registered pension benefits exceeds a participant's lifetime allowance, legislation dictates the excess will incur a tax penalty.

In addition, the Company maintains several nonqualified pension plans. These are funded through the general assets of the Company, although the Company also maintains trusts of the type generally known as "rabbi trusts" that may be used to pay benefits under the nonqualified pension plans. The plan available to the Named Executive Officers is the ConocoPhillips Key Employee Supplemental Retirement Plan ("KESRP"). This plan is designed to replace benefits that would otherwise not be received due to limitations contained in the Internal Revenue Code that apply to qualified plans. The two such limitations that most frequently impact the benefits to employees are the limit on compensation that can be taken into account in determining benefit accruals and the maximum annual pension benefit. In 2015, the former limit was set at \$265,000, while the latter was set at \$210,000. The KESRP determines a benefit without regard to such limits, and then reduces that benefit by the amount of benefit payable from the related qualified plan, the CPRP. Thus, in operation the combined benefits payable from the related plans for the eligible employee equals the benefit that would have been paid if there had been no limitations imposed by the Internal Revenue Code. Benefits under KESRP are generally paid in a single sum at the later of age 55 or six months after retirement. When payments do not begin until after retirement, interest at then current six-month Treasury-bill rates, under most circumstances, will be credited on the delayed benefits. Distribution may also be made upon a determination of death or disability. Certain foreign service as an employee of Phillips Petroleum Company is counted as time and a quarter when determining the service element in the benefit formula under KESRP. Among the Named Executive Officers, only Mr. Walette had any time credited for such foreign service. The notes to the table on page 69 provide further detail on that credited service. Each of the Named Executive Officers is eligible for, and is vested in, KESRP.



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**Pension Benefits continued**

Mr. Lance was an employee of ARCO Alaska, which was acquired by Phillips Petroleum Company in 2000. As such, a special provision applies in calculating pension benefits for such employees under Title I. First, the Company calculates a benefit under the Title I formula using service with both ARCO and ConocoPhillips, subtracting from the result the value of the benefit under the ARCO plan through the time of the acquisition (for which the BP Retirement Accumulation Plan remains liable, after the acquisition of ARCO by BP and certain plan mergers). Next, the Company calculates a benefit under the Title I formula using only service with ConocoPhillips. The Company compares the results of the two methods and the employee receives the larger benefit. For Mr. Lance, that calculation currently provides a larger benefit under the first method. The table reflects that benefit, showing only the value payable from the plan of ConocoPhillips, not from the BP Retirement Accumulation Plan.

Mr. Fox was previously an employee of Conoco (U.K.) Limited, which merged with a Phillips subsidiary in 2002, at the merger of Conoco Inc. and Phillips Petroleum Company. Upon leaving the Company in 2003, Mr. Fox earned a deferred vested pension benefit in the ConocoPhillips UK Pension Plan. When Mr. Fox returned to

ConocoPhillips in the United States, he became a participant in CPRP Title II. The deferred vested benefit earned as a participant in the UK Plan is taken into account when determining his Title II benefit in CPRP and his KESRP benefit.

Mr. Hirshberg was previously an employee of Exxon Mobil Corporation. In connection with his hiring by ConocoPhillips, the Company agreed to provide Mr. Hirshberg with a benefit under KESRP equal to the benefit calculated under KESRP for a participant in Title I of CPRP, reduced by actual benefits payable from CPRP or other ConocoPhillips plans and by estimated benefits payable from the plans of ExxonMobil. Mr. Hirshberg is vested in the benefit payable under KESRP. The table reflects that benefit, showing only the values payable from the plans of ConocoPhillips, not from the plans of ExxonMobil.

Except where otherwise noted, assumptions used in calculating the present value of accumulated benefits in the table are found in Note 18 in the Notes to Consolidated Financial Statements in the Company's 2015 Annual Report on Form 10-K.

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Name	Plan Name	Number	Present Value of	Payments
		of Years		Accumulated Benefit
		Credited	(\$)(1)	Last
		(#)		Fiscal
				Year
				(\$)
R.M. Lance	Title I ConocoPhillips Retirement Plan	32	906,204	
	ConocoPhillips Key Employee Supplemental Retirement Plan	32	24,521,593	
J.W. Sheets	Title I ConocoPhillips Retirement Plan	36	1,666,485	
	ConocoPhillips Key Employee Supplemental Retirement Plan	36	11,980,540	
M.J. Fox(2)	Title II ConocoPhillips Retirement Plan	30	302,114	
	ConocoPhillips UK Pension Plan	20	1,135,580	
	ConocoPhillips Key Employee Supplemental Retirement Plan	30	803,799	
A.J. Hirshberg(3)	Title II ConocoPhillips Retirement Plan	5	105,770	
	ConocoPhillips Key Employee Supplemental Retirement Plan	33	12,295,122	
D.E. Walette, Jr.(4)	Title I ConocoPhillips Retirement Plan	35	1,558,043	
	ConocoPhillips Key Employee Supplemental Retirement Plan	35	10,152,603	

(1)

*In determining the present value of the accumulated benefit for each Named Executive Officer, the eligible pension compensation, as defined on pages 66 through 69, used to calculate the amounts for US plans in this column as of December 31, 2015, for each Named Executive Officer is: Mr. Lance, \$5,243,392; Mr. Sheets, \$2,026,943; Mr. Fox, \$3,113,421; Mr. Hirshberg, \$2,547,944; and Mr. Walette, \$1,916,423. Mr. Fox's UK pension benefit and eligible pension compensation of \$122,327 was converted to U.S. dollars at an exchange rate per British Pound Sterling of \$1.4736 as of December 31, 2015.*

(2)

*Mr. Fox became an employee of ConocoPhillips on January 1, 2012. Prior to joining ConocoPhillips, Mr. Fox was an employee of Nexen Inc. None of the benefits earned by Mr. Fox as an employee of Nexen are included in the table. The service credited to Mr. Fox does not include his time of service with Nexen. However, prior to his service at Nexen, Mr. Fox had been an employee of ConocoPhillips and ConocoPhillips UK. Mr. Fox's service shown in the table includes that prior service with ConocoPhillips, in accordance with the standard terms and conditions of the applicable plans. Under Title II, and related provisions in KESRP, Mr. Fox received pay credits equal to 9% of his pension compensation in 2015, when his combined age and years of service exceeded 65. See the narrative above for a discussion of this feature. For these purposes, years of service would include total years of service with ConocoPhillips, which, in Mr. Fox's case, are 30.*

(3)

*Mr. Hirshberg became an employee of ConocoPhillips on October 6, 2010. Prior to joining ConocoPhillips, Mr. Hirshberg was employed by ExxonMobil and participated in its defined benefit plans. None of the benefits earned by Mr. Hirshberg as an employee of ExxonMobil are included in the table. The service credited to Mr. Hirshberg does not include his time of service with ExxonMobil with regard to calculation of his benefit*

*under Title II, but, pursuant to the offer letter and resolutions approved by the HRCC in connection with his hire, service credited to Mr. Hirshberg with regard to calculation of his benefit under KESRP does include his time of service with ExxonMobil. This is reflected in the table by showing different service crediting periods for Mr. Hirshberg with regard to each of the plans. The service crediting period for Title II is also included in the service crediting period for KESRP.*

(4)

*Includes additional credited service for Mr. Walette of 7.25 months related to foreign service prior to 1992, when the credit was discontinued.*

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## **Nonqualified Deferred Compensation**

ConocoPhillips maintains several nonqualified deferred compensation plans for its eligible employees. Those available to the Named Executive Officers are briefly described below.

The Key Employee Deferred Compensation Plan of ConocoPhillips ("KEDCP") is a nonqualified deferral plan that permits certain key employees voluntarily to defer salary and VCIP (or other similar annual incentive compensation program payments that would otherwise be received in subsequent years). Beginning in 2016, amounts payable from PSP for performance periods ending in 2015 or later may be deferred to the KEDCP. The KEDCP permits eligible employees to defer compensation of up to 100 percent of PSP, up to 100 percent of VCIP, and up to 50 percent of salary. Each of the Named Executive Officers is eligible to participate in, and is fully vested in, the KEDCP.

Under the KEDCP, for amounts deferred and vested after December 31, 2004, the default distribution option is to receive a lump sum to be paid at least six months after separation from service. Participants may elect to defer payments from one to five years after separation, and to receive annual, semiannual, or quarterly payments for a period of up to 15 years. For elections that set a date certain for payment, the distribution will begin in the calendar quarter following the date requested and will be paid out on the distribution schedule elected by the participant.

For amounts deferred prior to January 1, 2005, a one-time revision of the ten annual installment payments schedule is allowed from 365 days to no later than 90 days prior to retirement at age 55 or above or within 30 days after being notified of layoff in the calendar year in which the employee is age 50 or above. Participants may receive distributions in 1 to 15 annual installments, 2 to 30 semi-annual installments, or 4 to 60 quarterly installments.

The Defined Contribution Make-Up Plan of ConocoPhillips ("DCMP") is a nonqualified restoration plan under which the Company makes employer contributions that cannot be made in the qualified ConocoPhillips Savings Plan ("CPSP") a defined contribution plan of the type often referred to as a 401(k) plan due to certain voluntary reductions of salary under the KEDCP or due to limitations imposed by the Internal Revenue Code. For 2015, the Internal Revenue Code

limited the amount of compensation that could be taken into account in determining a benefit under the CPSP to \$265,000. Employees make no contributions to the DCMP. Each of the Named Executive Officers is eligible to participate in, and is fully vested in, the DCMP.

Under the DCMP, amounts vested after December 31, 2004, will be distributed as a lump sum six months after separation from service, or, at a participant's election, in 1 to 15 annual installments, 2 to 30 semi-annual installments, or 4 to 60 quarterly installments, beginning no earlier than one year after separation from service. For amounts vested prior to January 1, 2005, participants may, from 365 days to no later than 90 days prior to termination or within 30 days after being notified of layoff in the calendar year in which the employee is age 50 or above, indicate a preference to defer the value into their account under the KEDCP.

Each participant directs investments of the individual accounts set up for that participant under either the KEDCP or the DCMP. Participants may make changes in the investments as often as daily. All ConocoPhillips defined contribution nonqualified deferred compensation plans allow investment of deferred amounts in a broad range of mutual funds or other market-based investments, including ConocoPhillips stock. As market-based investments, none of these provide above-market return.

Since each executive participating in each plan chooses the investment vehicle or vehicles and may change his or her allocations from time to time (as often as daily), the return on the investment will depend on how well the underlying investment fund performed during the period the executive chose it as an investment vehicle. The aggregate performance of such investment is reflected in the Nonqualified Deferred Compensation Table under the column Aggregate Earnings in Last Fiscal Year.

Benefits due under each of the plans discussed above are paid from the general assets of the Company, although the Company also maintains trusts of the type generally known as "rabbi trusts" that may be used to pay benefits under the plans. The trusts and the funds held in them are assets of ConocoPhillips. In the event of bankruptcy, participants would be unsecured general creditors.





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Name	Applicable Plan(1)	Beginning	Executive	Registrant	Aggregate	Aggregate	Aggregate
		Balance	Contributions	Contributions	Earnings/	Withdrawals/	Balance
		(\$)	in Last FY	in Last FY	With Distributions	Distributions	at Last FYE
			(2)	(3)	(4)	(5)	(5)
R.M. Lance	Defined Contribution Make-Up Plan of ConocoPhillips	\$ 1,192,898	\$	\$ 129,150	\$ (173,921)	\$	\$ 1,148,127
	Key Employee Deferred Compensation Plan of ConocoPhillips	2,448,234	170,000		37,327		2,655,561
J.W. Sheets	Defined Contribution Make-Up Plan of ConocoPhillips	620,082		56,070	(77,253)		598,899
	Key Employee Deferred Compensation Plan of ConocoPhillips	4,018,648			6,467		4,025,115
M.J. Fox	Defined Contribution Make-Up Plan of ConocoPhillips	286,243		87,840	6,877		380,960
	Key Employee Deferred Compensation Plan of ConocoPhillips						
A.J. Hirshberg	Defined Contribution Make-Up Plan of ConocoPhillips	356,717		74,790	(39,102)		392,405
	Key Employee Deferred Compensation Plan of ConocoPhillips						
D.E. Walette, Jr.	Defined Contribution Make-Up Plan of ConocoPhillips	339,895		54,810	(2,334)		392,371
	Key Employee Deferred Compensation Plan of ConocoPhillips	4,573,903	1,505,428		(73,041)		6,006,290

(1)

*Our primary defined contribution deferred compensation programs for executives (KEDCP and DCMP) make a variety of investments available to participants. As of December 31, 2015, there were a total of 95 investment options, 36 of which were the same as those available in the Company's primary tax-qualified defined contribution plan for employees (its 401(k) plan, the ConocoPhillips Savings Plan) and 59 of which were other various mutual fund options approved by an administrator designated by the relevant plan.*

(2)

*Reflects deferrals by the Named Executive Officer under the KEDCP in 2015 (included in the Salary column of the Summary Compensation Table for Mr. Lance, this column reflects \$170,000 in salary deferred in 2015 (included in the 2015 Salary column of the Summary Compensation Table). For Mr. Walette, this column reflects \$437,000 in salary deferred in 2015 (included in the 2015 Salary column of the Summary Compensation Table) and \$1,068,428 in 2014 VCIP deferred (included in the 2014 Non-Equity Incentive Plan*

*Compensation column of the Summary Compensation Table).*

(3)

*Reflects contributions by the Company under the DCOMP in 2015 (included in the All Other Compensation column of the Summary Compensation Table on page 60 for 2015). In addition to the amounts shown for 2015, contributions by the Company under the DCOMP in earlier years (included in the All Other Compensation column of this Summary Compensation Table for those respective years) were as follows: In 2014, for Mr. Lance, \$129,600, for Mr. Sheets, \$56,520, for Mr. Fox, \$88,290, for Mr. Hirshberg, \$74,310, and for Mr. Walette, \$55,260; and in 2013, for Mr. Lance, \$211,188, for Mr. Sheets, \$98,408, for Mr. Fox, \$144,837, for Mr. Hirshberg, \$124,626, and for Mr. Walette, \$83,907.*

(4)

*None of these earnings are included in the Summary Compensation Table for 2015. Aggregate earnings reflect the net impact of investment gains and losses and, consequently, may be a negative amount.*

(5)

*Reflects contributions by our Named Executive Officers, contributions by the Company, and earnings on balances prior to 2015; plus contributions by our Named Executive Officers, contributions by the Company, and earnings for 2015, less any distributions (shown in the appropriate columns of this table, with amounts that are included in the Summary Compensation Table for 2015 shown in notes 2, 3 and 4 above).*

## **Executive Severance and Changes in Control**

Salary and other compensation for our Named Executive Officers is set by the HRCC, as described in "Compensation Discussion and Analysis" beginning on page 29 of this Proxy Statement. These officers may participate in the Company's employee benefit plans and programs for which they are eligible, in accordance with their terms. The amounts earned by the Named Executive Officers for 2015 appear in the various Executive Compensation Tables beginning on page 60 of this Proxy Statement.

Each of our Named Executive Officers is expected to receive amounts earned during his term of employment unless he voluntarily resigns prior to becoming retirement-eligible or is terminated for cause. Such amounts include:

VCIP compensation earned during the fiscal year;

Grants pursuant to the PSP for the most-recently completed performance period and ongoing performance periods in which the executive participated for at least one year;

Previously granted restricted stock and restricted stock units;

Vested stock option grants under the Stock Option Program;

Amounts contributed and vested under our defined contribution plans; and

Amounts accrued and vested under our retirement plans.

While normal retirement age under our benefit plans is 65, early retirement provisions allow benefits at earlier ages if vesting requirements are met, as discussed in the sections of this Proxy Statement titled *Pension Benefits* and *Nonqualified Deferred Compensation*. For our compensation programs (VCIP, Stock Option Program, and PSP), early retirement is generally defined to be termination at or after the age of 55 with five years of service. As of December 31, 2015, Messrs. Lance and Hirshberg had not met the early retirement criteria under either the applicable title of the pension plan or of our compensation programs, while Messrs. Sheets, Fox and Walette had met the early retirement

criteria. In addition, specific severance arrangements for executive officers, including the Named Executive Officers, are provided under two severance plans of ConocoPhillips: one being the ConocoPhillips Executive Severance Plan ("CPESP"), available to a limited number of senior executives; and the other being the ConocoPhillips Key Employee Change in Control Severance Plan ("CICSP"), also available to a limited number of senior executives, but only upon a change in control. These arrangements are described below. Executives are not entitled to participate in both plans as a result of a single event; for example, executives receiving benefits under the CICSP would not be entitled to benefits potentially payable under the CPESP relating to the event giving rise to benefits under the CICSP.

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**Executive Severance and Changes in Control continued**

**ConocoPhillips Executive Severance Plan**

The CPESP covers executives in salary grades generally corresponding to vice president and higher. Under the CPESP, if the Company terminates the employment of a plan participant other than for cause, as defined in the plan, upon executing a general release of liability and, if requested by the Company, an agreement not to compete with the Company, the participant will be entitled to:

A lump-sum cash payment equal to one-and-a-half or two times the sum of the employee's base salary and current target VCIP;

A lump-sum cash payment equal to the present value of the increase in pension benefits that would result from the crediting of an additional one-and-a-half or two years to the employee's number of years of age and service under the applicable pension plan;

A lump-sum cash payment equal to the Company cost of certain welfare benefits for an additional one-and-a-half or two years;

Continuation in eligibility for a pro rata portion of the annual VCIP for which the employee is eligible in the year of termination; and

Treatment as a layoff under the various compensation and equity programs of the Company generally, layoff treatment will allow executives to retain awards previously made and continue their eligibility under ongoing Company programs, thus, actual program grants of restricted stock or restricted stock units would vest and the executive would remain eligible for awards attributable to ongoing performance periods under the PSP in which he or she had participated for at least one year.

The Company may amend or terminate the CPESP at any time. Amounts payable under the plan will be offset by any payments or benefits that are payable to the severed employee under any other plan, policy, or program of ConocoPhillips relating to severance, and amounts may also be reduced in the event of willful and bad faith conduct demonstrably injurious to the Company, monetarily or otherwise, or if required by law to be "clawed back," such as may be the case in certain circumstances under the Sarbanes-Oxley Act or the Dodd-Frank Act.

**ConocoPhillips Key Employee Change in Control Severance Plan**

The CICSP covers executives in salary grades generally corresponding to vice president and higher. Under the CICSP if the employment of a participant in the plan is terminated by the Company within two years after a "change in control" of ConocoPhillips, other than for cause, or by the participant for good reason, as such terms are defined in the plan, upon executing a general release of liability, the participant will be entitled to:

A lump-sum cash payment equal to two or three times the sum of the employee's base salary and the higher of current target VCIP compensation or previous two years' average VCIP compensation;

A lump-sum cash payment equal to the present value of the increase in pension benefits that would result from the crediting of an additional two or three years to the employee's number of years of age and service under the applicable pension plan;

A lump-sum cash payment equal to the Company cost of certain welfare benefits for an additional two or three years;

Continuation in eligibility for a pro rata portion of the annual VCIP compensation for which the employee is eligible in the year of termination; and

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If necessary, a gross-up payment sufficient to compensate the participant for the amount of any excise tax imposed on payments made under the plan or otherwise pursuant to section 4999 of the Internal Revenue Code and for any taxes imposed on this additional payment, although if the applicable payments are not more than 110 percent of the "safe harbor" amount under section 280G of the Internal Revenue Code, the payments are "cut back" to the safe

harbor amount rather than a gross-up payment being made. Employees who became participants in the plan after the spinoff of the Company are not eligible for this gross-up payment.

Upon a change in control, with respect to awards granted prior to or attributable to performance periods prior to January 1, 2014, each participant's equity awards will vest and any applicable restrictions will lapse. With respect to awards granted after December 31, 2013, attributable to performance periods beginning on or after January 1, 2014, that are assumed, or substituted for, by an acquirer, accelerated vesting will occur only following both a change in control and a termination of employment. Termination of employment includes involuntary termination for cause or voluntary termination for good reason. Participants will continue to be able to exercise stock options for their remaining terms, but exercisability of stock options will not be accelerated. No distributions are made with respect to restricted stock units until after the participant separates from service. After a change in control, the CICSP may not be amended or terminated if such amendment would be adverse to the interests of any eligible employee, without the employee's written consent. Amounts payable under the plan will be offset by any payments or benefits that are payable to the severed employee under any other plan, policy, or program of ConocoPhillips relating to severance, and amounts may also be reduced in the event of willful and bad faith conduct demonstrably injurious to the Company, monetarily or otherwise, or if required by law to be "clawed back," such as may be the case in certain circumstances under the Sarbanes-Oxley Act or the Dodd-Frank Act.

Table of Contents**Other Arrangements**

Mr. Hirshberg became an employee of ConocoPhillips on October 6, 2010. The HRCC approved an offer letter to him which described the terms and conditions of employment, including the fact that he would serve as an at-will employee. The letter also provided certain protections against termination events. Mr. Hirshberg will be considered to have been terminated by the Company if the Company terminates his employment either without cause or if his employment

is terminated by mutual agreement, or if he initiates the termination of his employment (but only if given good reason to do so), prior to attaining age 55. Any severance benefits to which he may become entitled prior to attainment of age 55 will not be less than the severance benefits provided under the letter, the CPESP, and the CICSP as those plans were in effect on the date of the letter.

**Quantification of Severance Payments**

The tables below reflect the amount of incremental compensation payable in excess of the items listed above to each of our Named Executive Officers in the event of termination of such executive's employment other than as a result of voluntary resignation. The amount of compensation payable to each Named Executive Officer upon involuntary not-for-cause termination, for-cause termination, termination following a change-in-control ("CIC") (either involuntarily without cause or for good reason) and in the event of the death or disability of the executive is shown below. The amounts shown assume that such termination was effective as of December 31, 2015,

and thus include amounts earned through such time and are estimates of the amounts which would be paid out to the executives upon their termination. The actual amounts to be paid out can only be determined at the time of such executive's separation from the Company.

The following tables reflect additional incremental amounts to which each of our Named Executive Officers would be entitled if their employment were terminated due to the events described above.

<b>Executive Benefits and Payments Upon Termination</b>	<b>Involuntary Not-for-Cause Termination (Not CIC)</b>	<b>Involuntary or Good Reason Termination (CIC)</b>	<b>Death</b>	<b>Disability</b>
Base Salary	\$ 3,400,000	\$ 5,100,000	\$	\$
Short-term Incentive	5,440,000	12,280,961		
Variable Cash Incentive Program	2,720,000	2,720,000	2,720,000	2,720,000
January 2013 - December 2015 (performance period)	5,897,040	5,897,040	5,897,040	5,897,040
January 2014 - December 2016 (performance period)	2,908,460	4,362,667	2,908,460	2,908,460
January 2015 - December 2017 (performance period)	1,490,298	4,470,894	1,490,298	1,490,298
Restricted Stock/Units from prior periods	33,290,582	24,563,749	33,290,582	33,290,582
Stock Options/SARs:				
Unvested and Accelerated				
Incremental Pension	18,068,747	21,419,799		
Post-employment Health & Welfare	32,220	53,433		
Life Insurance			3,400,000	
280G Tax Gross-up		23,468,779		
	73,247,348	104,337,323	49,706,380	46,306,380





Table of Contents**Executive Severance and Changes in Control continued**

<b>Executive Benefits and Payments Upon Termination</b>	<b>Involuntary Not-for-Cause Termination (Not CIC)</b>	<b>For-Cause Termination</b>	<b>Involuntary or Good Reason Termination (CIC)</b>	<b>Death Disability</b>
Base Salary	\$ 1,776,000	\$	\$ 2,664,000	\$
Short-term Incentive	1,776,000		3,708,117	
Variable Cash Incentive Program		(888,000)		
January 2013 December 2015 (performance period)		(1,507,107)		
January 2014 December 2016 (performance period)		(869,788)	434,917	
January 2015 December 2017 (performance period)		(445,703)	891,405	
Restricted Stock/Units from prior periods				
Stock Options/SARs:				
Unvested and Accelerated				
Incremental Pension	2,789,526		3,359,114	
Post-employment Health & Welfare	29,875		44,813	
Life Insurance				1,776,000
280G Tax Gross-up			4,778,197	
	6,371,401	(3,710,598)	15,880,564	1,776,000

<b>Executive Benefits and Payments Upon Termination</b>	<b>Involuntary Not-for-Cause Termination (Not CIC)</b>	<b>For-Cause Termination</b>	<b>Involuntary or Good Reason Termination (CIC)</b>	<b>Death Disability</b>
Base Salary	\$ 2,482,000	\$	\$ 3,723,000	\$
Short-term Incentive	2,854,300		5,812,787	
Variable Cash Incentive Program		(1,427,150)		
January 2013 December 2015 (performance period)		(2,451,879)		
January 2014 December 2016 (performance period)		(1,371,425)	685,736	
		(702,731)	1,405,463	

January 2015	December 2017			
(performance period)				
Restricted Stock/Units from prior periods			3,693,272	
Stock Options/SARs:				
Unvested and Accelerated				
Incremental Pension	564,380		859,117	
Post-employment Health & Welfare	34,794		52,190	
Life Insurance				2,482,000
280G Tax Gross-up			5,531,484	
	5,935,473	(5,953,185)	21,763,049	2,482,000

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<b>Executive Benefits and Payments Upon Termination</b>	<b>Involuntary Not-for-Cause Termination (Not CIC)</b>	<b>For-Cause Termination</b>	<b>Involuntary or Good Reason Termination (CIC)</b>	<b>Death</b>	<b>Disability</b>
Base Salary	\$ 2,192,000	\$	\$ 3,288,000	\$	\$
Short-term Incentive	2,520,800		4,836,553		
Variable Cash Incentive Program	1,260,400		1,260,400	1,260,400	1,260,400
January 2013 - December 2015 (performance period)	2,098,155		2,098,155	2,098,155	2,098,155
January 2014 - December 2016 (performance period)	1,194,610		1,800,226	1,194,610	1,194,610
January 2015 - December 2017 (performance period)	620,603		1,861,857	620,603	620,603
Restricted Stock/Units from prior periods	10,813,675		8,220,288	10,813,675	10,813,675
Stock Options/SARs:					
Unvested and Accelerated					
Incremental Pension	7,926,579		9,433,486		
Post-employment Health & Welfare	140,128		211,794		
Life Insurance				2,192,000	
280G Tax Gross-up			8,581,993		
	28,766,950		41,592,753	18,179,443	15,987,443

<b>Executive Benefits and Payments Upon Termination</b>	<b>Involuntary Not-for-Cause Termination (Not CIC)</b>	<b>For-Cause Termination</b>	<b>Involuntary or Good Reason Termination (CIC)</b>	<b>Death</b>	<b>Disability</b>
Base Salary	\$ 1,748,000	\$	\$ 2,622,000	\$	\$
Short-term Incentive	1,748,000		3,545,557		
Variable Cash Incentive Program		(874,000)			
January 2013 - December 2015 (performance period)		(1,477,552)			
January 2014 - December 2016 (performance period)		(856,108)	428,054		
January 2015 - December 2017 (performance period)		(438,653)	877,351		

Restricted Stock/Units from prior periods				
Stock Options/SARs:				
Unvested and Accelerated Incremental Pension	2,617,535		3,897,332	
Post-employment Health & Welfare	32,313		48,469	
Life Insurance				1,748,000
280G Tax Gross-up			5,275,172	
	6,145,848	(3,646,313)	16,693,936	1,748,000

\*

*As discussed in the narrative preceding the tables above, the amounts shown indicate the difference in compensation arising from the stated type of termination in comparison to a voluntary resignation. In the case of a For-Cause Termination, we have assumed that the Company would act to invoke the "detrimental activity" clause contained in our equity awards and compensation programs. For more about the detrimental activity clause, see "Executive Compensation Governance Clawback Policy" on page 59. For a Named Executive Officer who has not reached the retirement age and service threshold contained in those equity awards and compensation programs (age 55 with 5 years of service), voluntary resignation would prevent earning awards for ongoing performance periods under VCIP, PSP, and the Stock Option Program, and would cause the loss of prior awards under PSP (or other restricted stock or restricted stock units) and stock options. For a Named Executive Officer who has reached the retirement age and service threshold in those programs, a voluntary resignation would be deemed a retirement and thus, no loss of those awards would normally occur. However, prior to the awards actually being delivered as cash or stock (including upon the exercise of an option), the awards remain at risk, even for a Named Executive Officer who has reached the age and service threshold. If the Company were to invoke the detrimental activity clause, amounts that would normally be paid in connection with a voluntary resignation to a Named Executive Officer who had reached the age and service threshold would instead be forfeited. The negative amounts shown above represent the value of awards that Messrs. Sheets, Fox, and Walette would forfeit in such a case, since Messrs. Sheets, Fox, and Walette have reached that threshold. Messrs. Lance and Hirshberg have not reached that threshold. Therefore invoking a detrimental activity clause would have the same effect as a voluntary termination so no negative amounts are shown.*

Table of Contents**Executive Severance and Changes in Control continued**

**Notes Applicable to All Termination Tables** In preparing each of the tables above, certain assumptions have been made. Benefits that would be available generally to all or substantially all salaried employees on the U.S. payroll are not included in the amounts shown. The following assumptions were also made:

**Base Salary** For the base salary amounts, in the event of an involuntary not-for-cause termination not related to a change in control ("regular involuntary termination"), the amount reflects two times base salary, while in the event of an involuntary or good reason termination related to a change in control ("CIC termination"), the amount reflects three times base salary.

**Short-Term Incentives** For the short-term incentive amounts, in the event of a regular involuntary termination, the amount reflects two times current VCIP target, while in the event of a CIC termination, the amount reflects three times current VCIP target or three times the average of the prior two VCIP payouts.

**Variable Cash Incentive Program** For the VCIP amounts, in the event of a regular involuntary termination or a CIC termination, the amount reflects the employee's pro rata current VCIP target. Targets for VCIP are for a full year and are pro rata for the Named Executive Officers based on time spent in their respective positions.

**Long-Term Incentives** For the performance periods related to PSP, amounts for the January 2013 December 2015 period are shown at the payout amount that was awarded in February 2016, while amounts for other ongoing performance periods are shown at target, including any adjustments for promotion or demotion made since the target awards were granted. For restricted stock and restricted stock units awarded under PSP, amounts reflect the closing price of ConocoPhillips common stock on the last trading day of 2015 (December 31, 2015), as reported on the NYSE, of \$46.69. In the Change-in-Control column it is assumed that a CIC event will not trigger acceleration of any Phillips 66 equity awards that were awarded as part of the equity conversion upon the spinoff.

**Stock Options** For stock options where the December 31, 2015, ConocoPhillips common stock price was higher than the option exercise price, the amounts reflect the intrinsic value as if the options had been exercised on December 31, 2015, but only regarding the options that the executive would have retained for the specific termination event. For options with respect to which the December 31, 2015, ConocoPhillips common stock price was lower than the option exercise price, the amounts reflect a zero intrinsic value regarding the options that the executive would have retained for the specific termination event.

**Incremental Pension Values** For the incremental pension value, the amounts reflect the single sum value of the increment due to an additional two years of age and service with associated pension

*compensation in the event of a regular involuntary termination (three years in the event of a CIC termination), regardless of whether the value is provided directly through a defined benefit plan or through the relevant severance plan.*

**280G Tax Gross-up** *Each Named Executive Officer is entitled, under the CICSP, to an associated "excise tax gross-up" to the extent any CIC payment triggers the golden parachute excise tax provisions under Section 4999 of the Internal Revenue Code (within certain limitations). While this provision does not apply to any employee who began participation in the plan following the spinoff, all of the Named Executive Officers were participants in the plan at that time. The following material assumptions were used to estimate excise taxes and associated tax gross-ups:*

*Options are valued using a Black-Scholes-Merton-based option methodology;*

*PSP XI awards are treated as earned awards that would be subject to time-vesting conditions only given the performance measurement period closed on December 31, 2015;*

*Parachute payments for time-vested stock options, restricted stock and restricted stock units were valued using Treas. Reg. Section 1.280G-1 Q&A 24(b) or (c) as applicable; and*

*Calculations assume certain performance-based pay such as PSP awards still in an ongoing performance period and pro rata VCIP payments are reasonable compensation for services rendered prior to the CIC based on the portion of the performance period that would have elapsed through December 31, 2015.*

Table of Contents**Stock Ownership****Holdings of Major Stockholders**

The following table sets forth information regarding persons whom we know to be the beneficial owners of more than five percent of our issued and outstanding common stock (as of the date of such stockholder's Schedule 13G filing with the SEC):

<b>Name and Address</b>	<b>Common Stock</b>	
	<b>Number of Shares</b>	<b>Percent of Class</b>
BlackRock, Inc.(1) 55 East 52nd Street New York, NY 10055	77,345,189	6.3%
The Vanguard Group(2) 100 Vanguard Blvd. Malvern, PA 19355	76,535,426	6.19%

(1)

*Based on a Schedule 13G/A filed with the SEC on February 10, 2016, by BlackRock Inc., on behalf of itself, BlackRock Japan Co. Ltd., BlackRock Advisors (UK) Limited, BlackRock Asset Management Deutschland AG, BlackRock Institutional Trust Company, N.A., BlackRock Fund Advisors, BlackRock Asset Management Canada Limited, BlackRock Advisors, LLC, BlackRock Capital Management, BlackRock Financial Management, Inc., BlackRock Investment Management, LLC, BlackRock Investment Management (Australia) Limited, BlackRock (Luxembourg) S.A., BlackRock (Netherlands) B.V., BlackRock Fund Managers Ltd, BlackRock Asset Management Ireland Limited, BlackRock Asset Management North Asia Limited, BlackRock International Limited, BlackRock Investment Management (UK) Limited, BlackRock Life Limited, BlackRock (Singapore) Limited, iShares (DE) I InvAG mit Teilgesellschaftsvermoege, BlackRock (Channel Islands) Ltd, BlackRock Asset Management Schweiz AG and Xulu, Inc.*

(2)

*Based on a Schedule 13G/A filed with the SEC on February 11, 2016, by The Vanguard Group, on behalf of itself, Vanguard Fiduciary Trust Company, and Vanguard Investments Australia, Ltd.*

Table of Contents**Stock Ownership continued****Securities Ownership of Officers and Directors**

The following table sets forth the number of shares of our common stock beneficially owned as of February 15, 2016, unless otherwise noted, by each ConocoPhillips director, each Named Executive Officer and by all of our directors and executive officers as a group. Together these individuals beneficially own less than one percent of our common stock. The table also includes information about stock options, restricted stock, and restricted and deferred stock units credited to the accounts of our directors and executive officers under various compensation and benefit plans. For purposes of this table, shares are considered to be "beneficially" owned if the person, directly or indirectly, has sole or shared voting or investment power with respect to such shares. In addition, a person is deemed to beneficially own shares if that person has the right to acquire such shares within 60 days of February 15, 2016.

Name	Number of Shares or Units		
	Total Common Stock Beneficially Owned	Restricted/Deferred Stock Units(1)	Options Exercisable Within 60 Days(2)
Richard L. Armitage	505	33,605	
Richard H. Auchinleck	6,422	100,167	
Charles E. Bunch	1,200	9,283	
James E. Copeland, Jr.	21,842	52,714	
John V. Faraci		9,283	
Jody Freeman		16,120	
Gay Huey Evans		12,812	
Arjun N. Murti	5,000	11,665	
Robert A. Niblock		31,507	
Harald J. Norvik		57,081	
Ryan M. Lance	76,380	830,455	1,599,550
Jeffrey W. Sheets	54,940	308,527	583,520
Matthew J. Fox	44,100	318,138	458,317
Alan J. Hirshberg	52,821	296,104	582,938
Donald E. Walette, Jr.	33,216	232,009	462,961
<b>Director Nominees and Executive Officers as a Group (20 Persons)(3)</b>	<b>828,758</b>	<b>2,765,152</b>	<b>5,349,373</b>

(1) *Includes restricted or deferred stock units that may be voted or sold only upon passage of time.*

(2) *Includes beneficial ownership of shares of common stock which may be acquired within 60 days of February 15, 2016, through stock options awarded under compensation plans.*

(3) *Includes 488,778 shares of common stock, 38,016 restricted stock units (restrictions lapsed on March 1, 2016) and 784,061 stock options held by John A. Carrig. Janet Langford Carrig, Senior Vice President, Legal, General Counsel and Corporate Secretary, is Mr. Carrig's spouse and as such may be deemed to be a beneficial owner of his shares. Ms. Carrig has disclaimed beneficial ownership of Mr. Carrig's shares to the extent she does not have a pecuniary interest in such shares.*



## **Section 16(a) Beneficial Ownership Reporting Compliance**

Section 16(a) of the Securities Exchange Act of 1934 requires ConocoPhillips' directors and executive officers, and persons who own more than 10% of a registered class of ConocoPhillips' equity securities, to file reports of ownership and changes in ownership of ConocoPhillips common stock with the SEC and the NYSE, and to furnish ConocoPhillips with copies of the forms they file. To ConocoPhillips' knowledge, based solely upon a review of the copies of such reports furnished to it and written representations of its officers and directors, during the year ended December 31, 2015, all Section 16(a) reports applicable to its officers and directors were filed on a timely basis.

Table of Contents**Equity Compensation Plan Information**

The following table sets forth information about ConocoPhillips' common stock that may be issued under all existing equity compensation plans as of December 31, 2015:

<b>Plan category</b>	<b>Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights(2)</b>	<b>Weighted Average Exercise Price of Outstanding Options, Warrants and Rights</b>	<b>Number of Securities Remaining Available for Future Issuance</b>
Equity compensation plans approved by security holders(1)	37,099,130(3)	\$ 55.90	31,776,557(4)
Equity compensation plans not approved by security holders			
<b>Total</b>	<b>37,099,130</b>	<b>\$ 55.90</b>	<b>31,776,557</b>

(1)

*Includes awards issued from the 2014 Omnibus Stock and Performance Incentive Plan of ConocoPhillips, which was approved by stockholders on May 13, 2014, the 2011 Omnibus Stock and Performance Incentive Plan of ConocoPhillips, which was approved by stockholders on May 11, 2011, the 2009 Omnibus Stock and Performance Incentive Plan of ConocoPhillips, which was approved by stockholders on May 13, 2009, and the 2004 Omnibus Stock and Performance Incentive Plan of ConocoPhillips, which was approved by stockholders on May 5, 2004. After approval of the 2014 Omnibus Stock and Performance Incentive Plan of ConocoPhillips, no additional awards may be granted under the 2011, the 2009 or the 2004 Omnibus Stock and Performance Incentive Plans of ConocoPhillips.*

(2)

*Excludes (a) options to purchase 12,719 shares of ConocoPhillips common stock at a weighted average price of \$48.03, (b) 617,053 restricted stock units, and (c) 7,229 shares underlying stock units, payable in common stock on a one-for-one basis, credited to stock unit accounts under our deferred compensation arrangements. These awards, which were excluded from the above table, were issued from the 1998 Stock and Performance Incentive Plan of ConocoPhillips, the 1998 Key Employee Stock Performance Plan of ConocoPhillips, the 2002 Omnibus Securities Plan of Phillips Petroleum Company, the Omnibus Securities Plan of Phillips Petroleum Company, the 1993 Burlington Resources Inc. Stock Incentive Plan, the Burlington Resources Inc. 1997 Employee Stock Incentive Plan, the Burlington Resources Inc. 2002 Stock Incentive Plan, and the Burlington Resources Inc. 2000 Stock Option Plan for Non-Employee Directors. Upon consummation of the merger of Conoco and Phillips, all outstanding options to purchase and restricted stock units payable in common stock of Conoco and Phillips were converted into options to purchase or rights to receive shares of ConocoPhillips common stock. Likewise, upon the acquisition of Burlington Resources, Inc., all outstanding options to purchase and restricted stock units payable in common stock of Burlington Resources, Inc. were converted into options or rights to receive shares of ConocoPhillips common stock. No additional awards may be granted under the aforementioned plans.*

(3)

*Includes an aggregate of 368,018 restricted stock units issued in payment of annual awards and dividend equivalents which were reinvested with regard to existing awards received annually and restricted stock units issued in payment of dividend equivalents with regard to fees that were deferred in the form of stock units under our deferred compensation arrangements for non-employee members of the Board of Directors of ConocoPhillips, or assumed in connection with the merger for services performed as a non-employee member of the Board of Directors for either Conoco Inc. or Phillips Petroleum Company. Also includes 263,681 restricted stock units issued in payment of dividend equivalents reinvested with respect to certain special awards made to a retired Named Executive Officer. Dividend equivalents were credited under the 2004 Omnibus Stock and Performance Incentive Plan during the time period from May 5, 2004, to May 12, 2009, under the 2009 Plan during the time period from May 13, 2009, to May 10, 2011, under the 2011 Omnibus Stock and Performance Incentive Plan during the time period from May 11, 2011, to May 12, 2014, and thereafter under the 2014 Omnibus Stock and Performance Incentive Plan. Also includes 105,521 restricted stock units issued in payment of a long-term incentive award for a retired Named Executive Officer and off cycle awards for executives. In addition, 5,004,475 restricted stock units that are eligible for cash dividend equivalents were issued to U.S. and U.K. payrolled employees residing in the United States or the United Kingdom at the time of the grant; 3,498,993 restricted stock units that are not eligible for cash dividend equivalents due to legal restrictions were issued to non-U.S. or non-U.K. payrolled employees and U.S. or U.K. payrolled employees residing in countries other than the United States or United Kingdom at the time of the grant. Both awards vest over a period of five years, the restrictions lapsing in three equal annual installments beginning on the third anniversary of the grant date. Such awards granted on or after January 1, 2012, vest on the third anniversary of the grant date. In addition, 5,810 restricted stock units that are not eligible for cash dividend equivalents were issued as retention bonuses; the awards vest over a period of two to three years, the restrictions lapsing in two or three equal annual installments beginning on the first anniversary of the grant dates. Also includes, 563,366 restricted stock units that are not eligible for cash dividend equivalents and which vest in three equal annual installments beginning on the first anniversary of the grant date were issued to employees on the U.S., U.K. and other payrolls. Also includes 610,664 restricted stock units issued to executives on February 10, 2006, 501,383 restricted stock units issued to executives on February 8, 2007, 508,137 restricted stock units issued to executives on February 14, 2008, 257,243 restricted stock units issued to executives on February 12, 2009, 134,777 restricted stock units issued to executives on February 12, 2010, and 323,133 restricted stock units issued to executives on February 10, 2011. These restricted stock units have no voting rights, are eligible for cash dividend equivalents, and have restrictions on transferability that last until separation of service from the company. Also includes 806,829 and 1,025,547 restricted stock units issued to executives on February 9, 2012, and April 4, 2012, respectively. These units have no voting rights, are eligible for dividend equivalents, and have restrictions on transferability with a default of five years from the grant date, or if elected, until separation from service. Also includes 120,678 restricted stock units issued to executives on February 5, 2013, and 550,015 restricted stock units issued to executives on February 18, 2014. These units have no voting rights, are eligible for dividend equivalents, have restrictions on transferability with a default of five years from the grant date, or if elected, until separation of service, and may be settled in cash. Also includes 1,092,129 restricted stock units issued to executives on February 18, 2014. These units have no voting rights, are eligible for dividend equivalents, have restrictions on transferability with a default of six years from the grant date, or if elected, until separation of service, and may be settled in cash. Also includes 685,372 restricted stock units issued to executives on February 18, 2014. These units have no voting rights, are not eligible for cash dividend equivalents while in the performance period, have restrictions on transferability with a default of two years from the grant date, or if elected, until separation of service and may be settled in cash. Also includes 560,257 restricted stock units issued to executives on February 18, 2014. These units have no voting rights, are not eligible for cash dividend equivalents while in the performance period, have restrictions on transferability with a default of three years from the grant date, or if elected, until separation of service and may be settled in cash. Also includes 543,434 restricted stock units issued to executives on February 17, 2015. These units have no voting rights, are not eligible for cash dividend equivalents while in the performance period, have restrictions on transferability with a default of three years from the grant date, or if elected, until separation*

*of service and may be settled in cash. Further included are 20,083,454 non-qualified and 55,109 incentive stock options with a term of 10 years and become exercisable in three equal annual installments beginning on the first anniversary of the grant date. Included among these amounts are awards granted to employees who are no longer employed by ConocoPhillips, including those who became employees of Phillips 66 at the spinoff, but who continue to hold awards denominated in ConocoPhillips equity.*

(4)

*The securities remaining available for issuance may be issued in the form of stock options, stock appreciation rights, stock awards, stock units, and performance shares. Under the 2014 Omnibus Stock and Performance Incentive Plan, no more than 40,000,000 shares of common stock may be issued for incentive stock options (99,329 have been issued with 31,776,557 available for future issuance). Securities remaining available for future issuance take into account outstanding equity awards made under the 2014 Omnibus Stock and Performance Incentive Plan, the 2011 Omnibus Stock and Performance Incentive Plan, the 2009 Omnibus Stock and Performance Incentive Plan, the 2004 Omnibus Stock and Performance Incentive Plan, and prior plans of predecessor companies as set forth in note 2.*

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## Item 4 on the Proxy Card

### Stockholder Proposal: Report on Lobbying Expenditures

#### What is the Proposal?

#### ConocoPhillips Lobbying Disclosure

**WHEREAS**, we believe in full disclosure of our company's direct and indirect lobbying activities and expenditures to assess whether our lobbying is consistent with ConocoPhillips expressed goals and in the best interests of shareholders.

**RESOLVED**, shareholders request the Board prepare a report, updated annually disclosing:

1. Company policy and procedures governing lobbying, both direct and indirect, and grassroots lobbying communications.
2. Payments by ConocoPhillips used for (a) direct or indirect lobbying or (b) grassroots lobbying communications, in each case including the amount of the payment and the recipient.
3. Description of the decision making process and oversight by management and the Board for making payments described in section 2 above.

For purposes of this proposal, a "grassroots lobbying communication" is a communication directed to the general public that (a) refers to specific legislation or regulation, (b) reflects a view on the legislation or regulation and (c) encourages the recipient of the communication to take action with respect to the legislation or regulation. "Indirect lobbying" is lobbying engaged in by a trade association or other organization of which ConocoPhillips is a member.

Both "direct and indirect lobbying" and "grassroots lobbying communications" include lobbying at the local, state and federal levels.

The report shall be presented to the Audit Committee or other relevant oversight committees of the Board and posted on the company's website.

#### Supporting Statement

We encourage transparency and accountability in the use of staff time and corporate funds to influence legislation and regulation both directly and indirectly. The lobbying by oil and gas companies on climate policy is increasingly under scrutiny globally.

This resolution received 27% voting support in 2015.

We appreciate the update on the company website and in its proxy on both political spending and lobbying including expanded management oversight. However, the responses focused heavily on political spending which is not the subject of this resolution. And the website disclosure is incomplete, omitting lobbying priorities and specific contributions to trade associations and the percent used for lobbying.

ConocoPhillips is on the Board of the United States Chamber of Commerce which is noted as "by far the most muscular business lobby group in Washington" ("Chamber of Secrets," *Economist*, April 21, 2012). Since 1998 the Chamber has spent over \$1 billion on lobbying. Yet ConocoPhillips does not disclose its Chamber payments nor the portions used for lobbying.

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This is an integrity problem for ConocoPhillips since the Chamber actively opposes many environmental regulations and actively campaigns against the new EPA Clean Power Plan.

We urge ConocoPhillips to evaluate if their public policy advocacy and lobbying is consistent with positive climate solutions or if their funds are used to oppose climate legislation or regulation.

ConocoPhillips spent approximately over \$32 million between 2011 & 2014 on direct federal lobbying activities, according to *Senate Records*. These figures may not include grassroots lobbying to directly influence legislation by mobilizing public support or opposition nor lobbying expenditures in states that do not require disclosure.

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**What does the Board recommend?**

**THE BOARD RECOMMENDS YOU VOTE "AGAINST" THIS PROPOSAL FOR THE FOLLOWING REASONS:**

ConocoPhillips complies with all lobbying disclosure requirements under federal, state and local laws and regulations. We continually provide our stockholders with useful information about our political and lobbying activities. For example, a description of the Company's Political Policies, Procedures and Giving, which includes our policies on lobbying and grassroots related activities, is posted on our website at [www.conocophillips.com](http://www.conocophillips.com), along with itemized political contributions to candidates and to other political entities, which are updated every six months.

The Board believes it has a responsibility to stockholders and employees to be engaged in the political process, in order to protect and promote their shared interests. The Board believes that such engagement further upholds ConocoPhillips' support of political free speech by individuals, companies and organizations, including trade associations, that hold positions with which we agree or may sometimes disagree. The Board believes it is in the best interest of stockholders to support the legislative process by making prudent corporate political contributions to political organizations when such contributions are consistent with business objectives and are permitted by federal, state and local laws. The Board also believes in making the Company's political contributions transparent to interested parties, as evidenced by our regular disclosures of this information on the ConocoPhillips website. According to the Center for Political Accountability's 2015 CPA-Zicklin Index of Corporate Political Disclosure and Accountability, which rates corporate political transparency, ConocoPhillips' political spending policies and procedures rank in the first tier among the companies in the S&P 500 index.

The Company further complies with the federal reporting of lobbying activities, which are filed quarterly with the Office of the Clerk, and are viewable on the website of the U.S. House of Representatives at <http://lobbyingdisclosure.house.gov/> and the U.S. Senate website at [http://www.senate.gov/legislative/Public\\_Disclosure/LDA\\_reports.htm](http://www.senate.gov/legislative/Public_Disclosure/LDA_reports.htm). All state lobbying disclosure requirements which vary by jurisdiction are met, with some states publishing those reports on their respective websites.

Several components of the special report requested within this proposal are already provided in our public disclosures,

including payments for direct lobbying and our policies, procedures, management oversight and decision making related to lobbying activities. ConocoPhillips has adopted and published our Political Policies, Procedures and Giving information on our website regarding political contributions to candidates and other political entities, as well as lobbying and grassroots activities. The Company also files publicly available disclosure reports with the U.S. House of Representatives, the U.S. Senate, the Federal Election Commission, and the ethics/campaign finance agencies operated by the states where we lobby and/or make corporate contributions to candidates.

With respect to trade association contributions, the Company's primary purpose in joining groups such as the National Association of Manufacturers, the U.S. Chamber of Commerce, and the American Petroleum Institute is not for political purposes, nor does the Company agree with all positions taken by trade and industry associations on issues. In fact, ConocoPhillips publicly acknowledges that we do take contrary positions from time to time. The greater benefits we receive from trade and industry association memberships are the general business, technical and industry standard-setting expertise that these organizations provide. Membership also provides us with a voice in support of our own corporate objectives, including climate change, when policy priorities are established. A list of the organizations to which ConocoPhillips has contributed \$50,000 or more in dues annually is also available on our public website, in addition to a discussion of our objectives for engagement with such organizations. Furthermore, as with prior reporting periods, ConocoPhillips again stipulated that none of our trade association dues be applied to independent expenditures focused on the election or defeat of any federal candidates for the period January 1, 2015 - December 31, 2015.

The Board is confident that the Company's political and lobbying activities are aligned with its long-term interests and does not believe that a special report beyond our current voluntary and mandatory lobbying disclosures is either necessary or an efficient use of Company resources. Therefore, the adoption of this resolution is unnecessary and the Board recommends you vote AGAINST this proposal.





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## Item 5 on the Proxy Card

### Stockholder Proposal: Partial Deferral of Annual Bonus Based on Reserves Metrics

#### What is the Proposal?

##### Partial Deferral of Annual Bonus Based on Reserves Metrics

RESOLVED that stockholders of ConocoPhillips urge the Board of Directors to take the necessary steps (excluding any steps that must be taken by stockholders) to change the application of the Variable Cash Incentive Program ("VCIP"), or any successor annual incentive program, to senior executives, as follows:

1. An award under the VCIP (a "Bonus") that is based on a metric derived from any measure of ConocoPhillips' reserves (a "Reserve Metric") shall not be paid in full for a period of five years ("Deferral Period"); and
2. The Human Resources and Compensation Committee (the "Committee") shall develop a methodology for (a) determining what proportion of a Bonus should be paid immediately, taking into account the proportion of the Bonus based on the Reserve Metric; (b) adjusting the remainder of the Bonus over the Deferral Period, to reflect performance on the Reserve Metric(s) during the Deferral Period, including whether ConocoPhillips wrote down the value of reserves underlying the Reserve Metric(s); and (c) paying out the remainder of the Bonus during and at the end of the Deferral Period.

The changes should not violate any existing contractual obligation of ConocoPhillips or the terms of any compensation or benefit plan currently in effect and should not have the effect of reducing amounts already awarded or earned.

#### Supporting Statement

As long-term stockholders, we are concerned that short-term incentive plans can encourage senior executives to manage for the short term. For the past several years, payments to named executive officers under the VCIP have been based in part upon reserve replacement ratio.

We are concerned that the use of Reserve Metrics in short-term incentive programs may encourage the acquisition of reserves that are so costly to produce that projects may be cancelled and the value of assets written down if oil prices stay depressed. We believe that lower demand caused by measures to limit climate change may lead to lower oil prices over the medium and longer term.

Lower oil prices can impair the value of reserves that are costly to access, such as shale and oil sands. A 2015 Wood MacKenzie report estimated that \$1.5 trillion of uncommitted spend on new conventional and North American unconventional oil is uneconomic at \$50 per barrel. ("Upstream Cost Cuts Must Go Deeper to Save Projects," Sept. 21, 2015) In the 3rd quarter of 2015, ConocoPhillips reported a realized price of only \$32.91 per barrel of oil equivalent, down substantially from \$64.78 in the 3rd quarter of 2014.

([http://www.sec.gov/Archives/edgar/data/1163165/000115752315003543/a51211040\\_ex991.htm](http://www.sec.gov/Archives/edgar/data/1163165/000115752315003543/a51211040_ex991.htm)) The company has cut 2015 capex spending several times.

This proposal urges a longer-term orientation with respect to reserves. The proposal asks that the Committee develop a system for holding back some portion of each Bonus based on Reserve Metric(s) for five years and adjusting the unpaid portion to account for reserve performance during that period. The Committee would have discretion to set the terms and mechanics of this process.

We urge stockholders to vote FOR this proposal.

**What does the Board recommend?**

**THE BOARD RECOMMENDS YOU VOTE "AGAINST" THIS PROPOSAL FOR THE FOLLOWING REASONS:**

Our compensation programs are designed to reward executives for performance and to align compensation with the long-term interests of our stockholders. As a result, our short- and long-term incentive programs closely tie pay to performance. In our annual incentive program (VCIP), 50% of the award is based on corporate performance and the remaining half on award unit performance. The Human Resources and Compensation Committee (the "Committee") believes the following five categories of performance metrics, each equally

weighted at 10% to form the corporate performance component of VCIP, have appropriately assessed the corporate performance of the Company relative to its strategy as an independent E&P company: (1) Health, Safety and Environmental; (2) Operational; (3) Financial; (4) Strategic Plan and (5) Total Shareholder Return. These metrics are the primary vehicle for recognizing Company performance and aligning the interests of employees and executives in achieving the Company's strategic objectives.

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Within the Operational segment above, the Committee has established the following measures to judge the performance of the company absolute targets for Production and Growth, Capital Expenditures, Operating & Overhead Costs, Direct Operating Efficiency (a measure of operational up-time), Reserve Replacement Ratio, and milestones for Exploration, Projects, and Drilling Programs. We utilize multiple measures of operational performance to ensure that no single aspect of operational performance is driven in isolation. The Committee believes that the use of Reserve Replacement Ratio as a metric is important to the Company's long-term growth strategy and is consistent with the Company's focus as an independent E&P company. To maintain or grow our production volumes, we must continue to add to our proved reserve base.

The recording and reporting of proved reserves are governed by criteria established by regulations of the SEC and FASB. Data used in calculating proved reserves estimates includes pertinent seismic information, geologic maps, well logs, production tests, material balance calculations, reservoir simulation models, well performance data, operating procedures and relevant economic criteria. We have a company-wide, comprehensive, SEC-compliant internal policy that governs the determination and reporting of proved reserves. As part of our internal control process, each business unit's reserve processes and controls are reviewed annually by an internal team which is headed by the Company's Manager of Reserves Compliance and Reporting. This team, composed of internal reservoir engineers, geologists, finance personnel and a senior representative from DeGolyer and MacNaughton (a third-party petroleum engineering consulting firm), reviews the business units' reserves for adherence to SEC guidelines and company policy and ensures reserves are calculated using consistent and appropriate standards and procedures. This team is independent of business unit line management and is responsible for reporting its findings to senior management.

The Committee is provided, and considers in its payout decisions, explanatory information on annual reserve changes that are based on the Company's internal policies and applicable regulations that govern the determination of proved reserves. Proved reserves are responsive to changes in both short-term economic conditions and longer-term planned resource commitments. Consistent with the Company's compensation philosophy which normalizes results for commodity price impacts, the Company does not believe rewarding or penalizing executives for the reserves impacts of increased or

decreased commodity prices is appropriate. To delay the final consideration of proved reserves for a period of five years as required under this proposal would not only conflict with the calculation of proved reserves under financial reporting guidelines applicable to the Company, but would be in direct conflict with the Company's philosophy to align executive compensation with the annual performance of the Company relative to its strategy. Further, the Company's current use of Reserve Replacement Ratio as a metric is consistent with market practice and well understood by industry analysts. As a result, the Committee believes that the SEC- and FASB-compliant calculation methodology for calculating the Reserve Replacement Ratio is appropriate to measure performance against this important metric. The Committee does not believe that adopting a policy to delay a portion of the annual incentive program for a period of five years, and adjusting such portion to reflect performance on reserves metrics during that time, would appropriately reward executives for performance.

The Committee also believes that Reserve Replacement Ratio is an important measure of the Company's operational success and should apply to all employees in the same manner in order to preserve the historical integrity of the Company's incentive plans. This proposal is limited to senior executive officers, which would require the Company to maintain separate compensation processes and procedures for non-executive employees, fundamentally altering its compensation principles.

Additionally, ConocoPhillips actively engages with its stockholders. During the past year, the Company engaged in dialogue with a significant number of large stockholders to better understand stockholder views regarding the Company's compensation programs and has received positive feedback. Through this process, the Company learned that these stockholders believe executive compensation has historically been well aligned with the Company's long-term strategy and feel that compensation program design decisions are best left to the Committee.

The Committee is confident that the Company's incentive programs are appropriate and well aligned with our long-term strategy. The Board does not believe a policy requiring the Company defer a portion of the VCIP award based on a metric derived from any measure of the Company's reserves as described in this proposal is either necessary or in the best interests of the Company. Therefore, the Board recommends that you vote AGAINST this proposal.



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## Submission of Future Stockholder Proposals and Nominations

### Rule 14a-8 Proposals

Under SEC rules, if a stockholder wants us to include a proposal in our proxy statement and form of proxy for the 2017 Annual Meeting of Stockholders, our Corporate Secretary must receive the proposal at our principal executive offices by November 28, 2016. Any such proposal should comply with the requirements of Rule 14a-8 promulgated under the Exchange Act.

### Proxy Access Nominations

Under our new proxy access By-Law, a stockholder or a group of up to 20 stockholders, owning at least 3% of our stock continuously for at least 3 years and complying with the other requirements set forth in the By-Laws, may nominate up to two persons, or 20% of the Board, whichever is greater, for election as a director at an annual meeting and have those persons included in our proxy statement. The proxy access nomination notice must be delivered to the Corporate Secretary at the following address: Corporate Secretary, ConocoPhillips, P.O. Box 4783, Houston, TX 77210-4783. We must receive the notice no earlier than October 29, 2016 and no later than November 28, 2016.

As required by Article II of our By-Laws, a notice of a proposed nomination must include information about the stockholder and the nominee, as well as a written consent of the proposed nominee to serve if elected. A notice of a proposed item of business must include a description of and the reasons for bringing the proposed business to the meeting, any material interest of the stockholder in the business and certain other information about the stockholder. You can obtain a copy of ConocoPhillips' By-Laws by writing the Corporate Secretary at the address above, or via our website at [www.conocophillips.com](http://www.conocophillips.com) under our "Governance" caption.

### Other Proposals/Nominations under the Advance Notice By-Law

Under our By-Laws, and as SEC rules permit, stockholders must follow certain procedures to nominate a person for election as a director (other than proxy access nominations) at an annual or special meeting, or to introduce an item of business at an annual meeting.

Under these procedures, stockholders must submit the proposed nominee or item of business by delivering a notice to the Corporate Secretary at the following address: Corporate Secretary, ConocoPhillips, P.O. Box 4783, Houston, TX 77210-4783. We must receive notice as follows:

We must receive notice of a stockholder's intention to introduce a nomination or proposed item of business for an annual meeting not less than 90 days nor more than 120 days before the first anniversary of the prior year's meeting. Assuming that our 2016 Annual Meeting is held on schedule, we must receive notice pertaining to the 2017 Annual Meeting no earlier than January 10, 2017 and no later than February 9, 2017.

However, if we hold the annual meeting on a date that is not within 30 days before or after such anniversary date, and if our first public announcement of the date of such annual meeting is less than 100 days prior to the date of such meeting, we must receive the notice no later than 10 days after the public announcement of such meeting.

If we hold a special meeting to elect directors, we must receive a stockholder's notice of intention to introduce a nomination no later than 10 days after the earlier of the date we first provide notice of the meeting to stockholders or announce it publicly.

As required by Article II of our By-Laws, a notice of a proposed nomination must include information about the stockholder and the nominee, as well as a written consent of the proposed nominee to serve if elected. A notice of a proposed item of business must include a description of and the reasons for bringing the proposed business to the meeting, any material interest of the stockholder in the business and certain other information about the stockholder. You can obtain a copy of ConocoPhillips' By-Laws by writing the Corporate Secretary at the address above, or via our website at [www.conocophillips.com](http://www.conocophillips.com) under our "Governance" caption.

## Available Information

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SEC rules require us to provide an annual report to stockholders who receive this Proxy Statement. Additional printed copies of the annual report, as well as our Corporate Governance Guidelines, Code of Business Ethics and Conduct, charters for each of our Board committees and our Annual Report on Form 10-K for the fiscal year ended December 31, 2015, including the financial statements and the

financial statement schedules, are available without charge to stockholders upon written request to ConocoPhillips Shareholder Relations Department, P.O. Box 2197, Houston, Texas 77079-2197 or via our website at [www.conocophillips.com](http://www.conocophillips.com). We will furnish the exhibits to our Annual Report on Form 10-K upon payment of our copying and mailing expenses.

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## Questions and Answers About the Annual Meeting and Voting

### **Who is soliciting my vote?**

The Board of Directors of ConocoPhillips is soliciting your vote at the 2016 Annual Meeting of ConocoPhillips' stockholders.

### **Who is entitled to vote?**

You may vote if you were the record owner of ConocoPhillips common stock as of the close of business on March 14, 2016. Each share of common stock is entitled to one vote. As of March 14, 2016, we had 1,238,366,229 shares of common stock outstanding and entitled to vote. There is no cumulative voting.

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

Your shares are counted as present at the Annual Meeting if you attend the meeting and vote in person or if you properly return a proxy by Internet, telephone or mail. In order for us to hold our meeting, holders of a majority of our outstanding shares of common stock as of March 14, 2016, must be present in person or by proxy at the meeting. This is referred to as a quorum. Abstentions and broker non-votes will be counted for purposes of establishing a quorum at the meeting.

### **What is the difference between holding shares as a stockholder of record and as a beneficial stockholder?**

If your shares are registered directly in your name with the Company's registrar and transfer agent, Computershare Trust Company, N.A., you are considered a stockholder of record with respect to those shares. If your shares are held in a brokerage account or bank, you are considered the "beneficial owner" or "street name" holder of those shares.

### **What is a broker non-vote?**

Applicable rules permit brokers to vote shares held in street name on routine matters when the brokers have not received voting instructions from the beneficial owner on how to vote those shares. Brokers may not vote shares held in street name on non-routine matters unless they have received voting instructions from the beneficial owners on how to vote those shares. Shares that are not voted on non-routine matters are called broker non-votes. Broker non-votes will have no effect on the vote for any matter properly introduced at the meeting.

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

The ratification of Ernst & Young LLP as our independent registered public accounting firm for 2016 is the only routine matter to be presented at the Annual Meeting on which brokers may vote in their discretion on behalf of beneficial owners who have not provided voting instructions.

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

The non-routine matters to be presented at the Annual Meeting on which brokers are not allowed to vote unless they have received specific voting instructions from beneficial owners are:

The election of directors;

The advisory approval of the compensation of the Company's Named Executive Officers;

Stockholder proposal relating to report on lobbying expenditures; and

Stockholder proposal relating to partial deferral of annual bonus based on reserves metrics.

### **How are abstentions and broker non-votes counted?**

Abstentions and broker non-votes are included in determining whether a quorum is present. Broker non-votes will have no effect on the vote for any matter properly introduced at the meeting; however, abstentions will have the same effect as a vote "AGAINST."





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**Questions and Answers About the Annual Meeting and Voting continued**

**What are my voting choices for each of the proposals to be voted on at the 2016 Annual Meeting of Stockholders and how does the Board recommend that I vote my shares?**

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*We will provide the name, address and share ownership of the stockholders submitting these proposals, along with the information for any co-filers, promptly upon a stockholder's request.*

**How many votes are needed to approve each of the proposals?**

Each of the director nominees and all proposals submitted require the affirmative "FOR" vote of a majority of those shares present in person or represented by proxy at the meeting and entitled to vote on the proposal. As an advisory vote, the proposal to approve executive compensation is not binding upon the Company. However, the Human Resources and Compensation Committee, which is responsible for designing and administering the Company's executive compensation programs, values the opinions expressed by stockholders and will consider the outcome of the vote when making future compensation decisions.

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**How do I vote?**

**Stockholders of Record:** You can vote either in person at the meeting or by proxy. Persons who vote by proxy need not, but are entitled to, attend the meeting. Even if you plan to attend the meeting, we encourage you to vote your shares by proxy.

This Proxy Statement, the accompanying proxy card and the Company's 2015 Annual Report are being made available to the Company's stockholders on the Internet at [www.proxyvote.com](http://www.proxyvote.com) through the notice and access process.

Vote your shares as follows in all cases, have your proxy card in hand:

**Beneficial Stockholders:** If you hold your ConocoPhillips stock in a brokerage account (that is, in "street name"), your ability to vote by telephone or over the Internet depends on your broker's voting process. Please follow the directions on your proxy card or voting instruction card carefully. Please note that brokers may not vote your shares on the election of directors, compensation matters or stockholder proposals in the absence of your specific instructions as to how to vote. Please provide your voting instructions so your vote can be counted on these matters.

If you plan to vote in person at the Annual Meeting and you hold your ConocoPhillips stock in street name, you must obtain a proxy from your broker and bring that proxy to the meeting.

**How do I vote if I hold my stock through ConocoPhillips' employee benefit plans?**

If you hold your stock through ConocoPhillips' employee benefit plans, you must do one of the following:

Vote over the Internet (instructions are in the email sent to you or on the notice and access form);

Vote by telephone (instructions are on the notice and access form); or

If you received a hard copy of your proxy materials, fill out the enclosed voting instruction card, date and sign it, and return it in the enclosed postage-paid envelope.

You will receive a separate voting instruction card for each employee benefit plan under which you hold stock. Please pay close attention to the deadline for returning your voting instruction card to the plan trustee. The voting deadline for each plan is set forth on the voting instruction card. Please note that different plans may have different deadlines.

**How can I revoke my proxy?**

You can revoke your proxy by sending written notice of revocation of your proxy to our Corporate Secretary so that it is received prior to the close of business on May 9, 2016.

**Can I change my vote?**

Yes. You can change your vote at any time before the polls close at the Annual Meeting. You can do this by:

Voting again by telephone or over the Internet prior to 11:59 p.m. EDT on May 9, 2016;

Signing another proxy card with a later date and returning it to us prior to the meeting; or

Voting again at the meeting.

**Who counts the votes?**

We have hired Broadridge Financial Solutions, Inc. to count the votes represented by proxies and cast by ballot, and Jim Gaughan of Carl T. Hagberg and Associates has been appointed to act as Inspector of Election.

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**Questions and Answers About the Annual Meeting and Voting continued**

**When will the Company announce the voting results?**

We will announce the preliminary voting results at the Annual Meeting of Stockholders. The Company will report the final results on our website and in a Current Report on Form 8-K filed with the SEC within four days following the meeting.

**Will my shares be voted if I do not provide my proxy and do not attend the Annual Meeting?**

If you do not provide a proxy or vote your shares held in your name, your shares will not be voted.

If you hold your shares in street name, your broker has the authority to vote your shares for certain routine matters even if you do not provide the broker with voting instructions. Only the ratification of Ernst & Young LLP as our independent registered public accounting firm for 2016 is considered to be a routine matter.

If you do not give your broker instructions on how to vote your shares, the broker will return the proxy card without voting on proposals not considered routine. This is known as a broker non-vote. Without instructions from you, the broker may not vote on any proposals other than the ratification of Ernst & Young LLP as our independent registered public accounting firm for 2016.

As more fully described on your proxy card, if you hold your shares through certain ConocoPhillips employee benefit plans and do not vote your shares, your shares (along with all other shares in the plan for which votes are not cast) may be voted pro rata by the trustee in accordance with the votes directed by other participants in the plan who elect to act as a fiduciary entitled to direct the trustee of the applicable plan on how to vote the shares.

**What if I am a stockholder of record and return my proxy but do not vote for some of the matters listed on my proxy card?**

If you return a signed proxy card without indicating your vote, your shares will be voted "FOR" each of the director nominees listed on the card, "FOR" the ratification of Ernst & Young LLP as ConocoPhillips' independent registered public accounting firm, "FOR" the approval of the compensation of our Named Executive Officers and "AGAINST" each of the stockholder proposals.

**What if I am a beneficial owner and do not give voting instructions to my broker?**

As a beneficial owner, in order to ensure your shares are voted in the way you would like, you must provide voting instructions to your bank or broker by the deadline provided in the materials you receive from your bank or broker. If you do not provide voting instructions to your bank or broker, whether your shares can be voted by such person depends on the type of item being considered for vote. Brokers may not vote shares held in street name on non-routine matters unless they have received voting instructions from the beneficial owners on how to vote those shares. The ratification of Ernst & Young LLP as our independent registered public accounting firm for 2016 is the only routine matter to be presented at the Annual Meeting on which brokers may vote in their discretion on behalf of beneficial owners who have not provided voting instructions.

**Could other matters be decided at the Annual Meeting?**

We are not aware of any other matters to be presented at the meeting. If any matters are properly brought before the Annual Meeting, the persons named in your proxies will vote in accordance with their best judgment. Discretionary authority to vote on other matters is included in the proxy.

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**Who can attend the Annual Meeting?**

Stockholders of record at the close of business on March 14, 2016 may attend the Annual Meeting. No cameras, recording equipment, laptops, tablets, cellular telephones, smartphones or other similar equipment, electronic devices, large bags, briefcases or packages will be permitted in the Annual Meeting, and security measures will be in effect to provide for the safety of attendees. ***You will need a photo ID to gain admission.***

**Do I need a ticket to attend the Annual Meeting?**

Yes, you will need an admission ticket or proof of ownership of ConocoPhillips stock to enter the meeting. If your shares are registered in your name, you will find an admission ticket attached to the proxy card sent to you. If your shares are in the name of your broker or bank or you received your materials electronically, you will need to bring evidence of your stock ownership, such as your most recent brokerage statement. All stockholders will be required to present valid picture identification.

**IF YOU DO NOT HAVE VALID PICTURE IDENTIFICATION AND EITHER AN ADMISSION TICKET OR PROOF THAT YOU OWN CONOCOPHILLIPS STOCK, YOU MAY NOT BE ADMITTED INTO THE MEETING.**

**Does the Company have a policy about directors' attendance at the Annual Meeting?**

Pursuant to the Corporate Governance Guidelines, directors are expected to attend the Annual Meeting of Stockholders. All of the persons who were serving as directors at the time attended the 2015 Annual Meeting of Stockholders.

**How can I access ConocoPhillips' proxy materials and annual report electronically?**

This Proxy Statement, the accompanying proxy card and the Company's 2015 Annual Report are being made available to the

Company's stockholders on the Internet at [www.proxyvote.com](http://www.proxyvote.com) through the notice and access process. Most stockholders can elect to view future proxy statements and annual reports over the Internet instead of receiving paper copies in the mail.

If you own ConocoPhillips stock in your name, you can choose this option and save us the cost of producing and mailing these documents by following the instructions on your proxy card or those provided when you vote by telephone or over the Internet. If you hold your ConocoPhillips stock through a bank, broker or other holder of record, please refer to the information provided by that entity for instructions on how to elect to view future proxy statements and annual reports over the Internet.

If you choose to view future proxy statements and annual reports over the Internet, you will receive a Notice of Internet Availability next year in the mail containing the Internet address to use to access our proxy statement and annual report. Your choice will remain in effect unless you change your election following the receipt of a Notice of Internet Availability. You do not have to elect Internet access each year. If you later change your mind and would like to receive paper copies of our proxy statements and annual reports, you can request both by phone at (800) 579-1639, by email at [sendmaterial@proxyvote.com](mailto:sendmaterial@proxyvote.com) and through the Internet at [www.proxyvote.com](http://www.proxyvote.com). You will need your 12-digit control number located on your Notice of Internet Availability to request a package. You will also be provided with the opportunity to receive a copy of the proxy statement and annual report in future mailings.

We also encourage you to visit our Annual Meeting website at [www.conocophillips.com/annualmeeting](http://www.conocophillips.com/annualmeeting) that, among other things, will enable you to learn more about our Company, vote your proxy, listen to a live audio webcast of the meeting and elect to view future proxy statements and annual reports over the Internet instead of receiving paper copies in the mail.



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**Questions and Answers About the Annual Meeting and Voting continued**

**Why did my household receive a single set of proxy materials?**

SEC rules permit us to deliver a single copy of an annual report and proxy statement to any household not participating in electronic proxy material delivery at which two or more stockholders reside if we believe the stockholders are members of the same family. This benefits both you and the Company, as it eliminates duplicate mailings that stockholders living at the same address receive and it reduces our printing and mailing costs. This rule applies to any annual reports, proxy statements, proxy statements combined with a prospectus or information statements. Each stockholder will continue to receive a separate proxy card or voting instruction card. Your household may have received a single set of proxy materials this year. If you prefer to receive your own copy now or in future years, please request a duplicate set by phone at (800) 579-1639, through the Internet at [www.proxyvote.com](http://www.proxyvote.com), by email at [sendmaterial@proxyvote.com](mailto:sendmaterial@proxyvote.com), or by writing to ConocoPhillips, c/o Broadridge, 51 Mercedes Way, Edgewood, NY 11717. If a broker or other nominee holds your shares, you may continue to receive some duplicate mailings. Certain brokers will eliminate duplicate account mailings by allowing stockholders to consent to such elimination, or through implied consent if a stockholder does not request continuation of duplicate mailings. Since not all brokers and nominees may offer stockholders the opportunity this year to eliminate duplicate mailings, you may need to contact your broker or nominee directly to discontinue duplicate mailings to your household.

**Will my vote be kept confidential?**

The Company's Board of Directors has a policy that all stockholder proxies, ballots and tabulations that identify stockholders are to be

maintained in confidence. No such document will be available for examination, and the identity and vote of any stockholder will not be disclosed, except as necessary to meet legal requirements and allow the inspectors of election to certify the results of the stockholder vote. The policy also provides that inspectors of election for stockholder votes must be independent and cannot be employees of the Company. Occasionally, stockholders provide written comments on their proxy card that may be forwarded to management.

**What is the cost of this proxy solicitation?**

Our Board of Directors has sent you this Proxy Statement. Our directors, officers and employees may solicit proxies by mail, by email, by telephone or in person. Those persons will receive no additional compensation for any solicitation activities. We will request banking institutions, brokerage firms, custodians, trustees, nominees and fiduciaries to forward solicitation materials to the beneficial owners of common stock held of record by those entities, and we will, upon the request of those record holders, reimburse reasonable forwarding expenses. We will pay the costs of preparing, printing, assembling and mailing the proxy materials used in the solicitation of proxies. In addition, we have hired Alliance Advisors to assist us in soliciting proxies, which it may do by mail, telephone or in person. We anticipate paying Alliance Advisors a fee of \$20,000, plus expenses.



Table of Contents**Appendix A****Non-GAAP Financial Measures**

This Proxy Statement includes the measures operating costs and adjusted earnings (loss). These are non-GAAP financial measures. These terms are included to help facilitate comparisons of our operating performance across periods and with peer companies. Adjusted earnings is adjusted for items that management believes are not indicative of our core operating results or business outlook over the long term. Operating costs represent controllable costs and include production and operating expenses, selling, general and administrative expenses and exploration expenses excluding dry holes and leasehold impairments. The Human Resources and Compensation Committee utilized these non-GAAP measures in evaluating compensation decisions in 2015 in recognition of the changing commodity price environment and to benchmark compensation decisions based on measures utilized by management and the Board of Directors in evaluating the Company's performance.

<b>Operating Costs</b>	FY	FY
\$ Millions, Except as Indicated	2015	2014
Production and operating expenses	\$ 7,016	\$ 8,909
Selling, general and administrative expenses	953	735
Exploration expenses excluding dry holes and leasehold impairment*	1,127	879
<b>Operating Costs</b>	<b>9,096</b>	<b>10,523</b>
<b>Operating Costs percent reduction</b>	<b>(14)%</b>	
Exploration expenses	4,192	2,045
Less dry holes	1,141	604
Less leasehold impairment	1,924	562
<b>*Exploration expenses excluding dry holes and leasehold impairment</b>	<b>1,127</b>	<b>879</b>
<b>Adjusted Earnings</b>	FY	
\$ Millions, Except as Indicated	2015	
<b>Net Income (Loss) Attributable to ConocoPhillips</b>	<b>\$ (4,428)</b>	
Adjustments:		
Net gain on asset sales	(395)	
Impairments	3,077	
International tax law changes	(426)	
Restructuring	282	
Pending claims and settlements	62	
Tax impact from country exit	(28)	
Pension settlement expense	143	
Rig termination	246	
Depreciation volume adjustment	(48)	
Tax benefit on interest expense	(209)	
<b>Adjusted earnings (loss)</b>	<b>(1,724)</b>	
Earnings (loss) per share of common stock (dollars)	\$ (3.58)	
Adjusted earnings (loss) per share of common stock (dollars)	\$ (1.40)	



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## Stockholder Information

### Annual Meeting

The ConocoPhillips Annual Meeting of Stockholders will be held:

Tuesday, May 10, 2016  
Omni Houston Hotel at Westside  
13210 Katy Freeway,  
Houston, TX 77079

Notice of the meeting and proxy materials are being sent to all stockholders.

### Direct Stock Purchase and Dividend Reinvestment Plan

The ConocoPhillips Investor Services Program is a direct stock purchase and dividend reinvestment plan that offers stockholders a convenient way to buy additional shares and reinvest their common stock dividends. Purchases of company stock through direct cash payment are commission free. Please call Computershare to request an enrollment package:

Toll-free number: 800-356-0066

You may also enroll online at [www.computershare.com/investor](http://www.computershare.com/investor). Registered stockholders can access important investor communications online and sign up to receive future stockholders materials electronically by following the enrollment instructions.

### Principal and Registered Offices

600 N. Dairy Ashford Road  
Houston, TX 77079

2711 Centerville Road  
Wilmington, DE 19808

### Stock Transfer Agent and Registrar

Computershare  
211 Quality Circle, Suite 210  
College Station, TX 77845  
[www.computershare.com](http://www.computershare.com)

### Information Requests

For information about dividends and certificates, or to request a change of address form, stockholders may contact:

Computershare  
P.O. Box 30170  
College Station, TX 77842-3170  
Toll-free number: 800-356-0066  
Outside the U.S.: 201-680-6578  
TDD for hearing impaired: 800-231-5469  
TDD outside the U.S.: 201-680-6610  
[www.computershare.com/investor](http://www.computershare.com/investor)

Personnel in the following offices can also answer investors' questions about the company:

**Institutional Investors:**

ConocoPhillips Investor Relations  
600 N. Dairy Ashford Road  
Houston, TX 77079  
281-293-5000  
[investor.relations@conocophillips.com](mailto:investor.relations@conocophillips.com)

**Individual Investors:**

ConocoPhillips Shareholder Relations  
600 N. Dairy Ashford Road, ML3080  
Houston, TX 77079  
281-293-6800  
[shareholder.relations@conocophillips.com](mailto:shareholder.relations@conocophillips.com)

**Compliance and Ethics**

For guidance, or to express concerns or ask questions about compliance and ethics issues, call ConocoPhillips' Ethics Helpline toll-free at 877-327-2272, available 24 hours a day, seven days a week. The ethics office also may be contacted via email at [ethics@conocophillips.com](mailto:ethics@conocophillips.com), the Internet at [www.conocophillips.ethicspoint.com](http://www.conocophillips.ethicspoint.com) or by writing:

Attn: Corporate Ethics Office  
ConocoPhillips  
600 N. Dairy Ashford, ML3170  
Houston, TX 77079

**Copies of Proxy Statement  
and Annual Report**

Copies of this Proxy Statement and the 2015 Annual Report, as filed with the U.S. Securities and Exchange Commission, are available for free by making a request on the company's website, calling 918-661-3700 or writing:

ConocoPhillips Reports  
B-13 Plaza Office Building  
315 Johnstone Ave.  
Bartlesville, OK 74004

**Website**

[www.conocophillips.com](http://www.conocophillips.com)

The site includes resources of interest to investors, including news releases and presentations to securities analysts; copies of ConocoPhillips' annual reports and proxy statements; reports to the U.S. Securities and Exchange Commission; and data on ConocoPhillips' health, safety and environmental performance.























































