CONOCOPHILLIPS
Form DEF 14A
April 03, 2017

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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:

(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:

(5) Total fee paid:

Fee paid previously with preliminary materials.

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

(1) Amount Previously Paid:

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

(3) Filing Party:

(4) Date Filed:

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Notice of 2017 Annual Meeting of Stockholders

Tuesday, May 16, 2017

9:00 a.m. (CDT)

Online at *www.virtualshareholdermeeting.com/COP*

The 2017 Annual Meeting of Stockholders ("Annual Meeting") of ConocoPhillips (the "Company") will be held on Tuesday, May 16, 2017, at 9:00 a.m. (CDT) at *www.virtualshareholdermeeting.com/COP*, for the following purposes:

1. **To elect 10 Directors to serve until the 2018 Annual Meeting (page 16);**
2. **To ratify the appointment of Ernst & Young LLP as the Company's independent registered public accounting firm for 2017 (page 24);**
3. **To provide an advisory approval of the compensation of our Named Executive Officers (page 28);**
4. **To indicate a preference on the frequency of the advisory vote to approve the compensation of our Named Executive Officers (page 29);**
5. **To consider and vote on 2 stockholder proposals (pages 83 through 86); and**
6. **To transact any other business properly coming before the meeting.**

Only stockholders of record at the close of business on March 20, 2017 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 for stockholders to view online at the time of the meeting.

The Annual Meeting will begin promptly at 9:00 a.m., Central Daylight Time. Online check-in will begin at 8:30 a.m., Central Daylight Time, and you should allow ample time for the online check-in procedures. The online format for the Annual Meeting also allows us to communicate more effectively with you via a pre-meeting forum that you can enter by visiting *www.conocophillips.com/annualmeeting* where you can submit questions in advance of the annual meeting.

April 3, 2017

By Order of the Board of Directors

Janet Langford Carrig

Corporate Secretary

Important Notice Regarding the Availability of Proxy Materials for the 2017 Annual Meeting of Stockholders To Be Held on May 16, 2017: This Proxy Statement and our 2016 Annual Report are available at *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.

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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 87) address the following matters, among others:

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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 2016, 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, 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 a significant number of large stockholders. When requested, a member of the Board has also taken part in the discussion. Our engagement team has also met with some 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 discussions, and this feedback was shared with the Board and its relevant committees.

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**
- **9 of our 10 Director Nominees are independent**
- **All members of the Audit and Finance Committee, Human Resources and Compensation Committee, Committee on Directors' Affairs and Public Policy Committee are independent**

Our Board believes that continuing to combine the position of Chairman and CEO is in the best interests of 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 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. 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 conducted 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 operation of 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.

Director	**Matters Considered**
Richard H. Auchinleck	Ordinary course business transactions with Telus Corporation
Charles E. Bunch	Ordinary course business transactions with Marathon Petroleum Corporation
Gay Huey Evans	Ordinary course business transactions with Standard Chartered PLC
Robert A. Niblock	Ordinary course business transactions with Lowe's Companies, Inc.

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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 by 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 2016, the Chairman of the Audit and Finance Committee also discussed the Board's oversight of the Company's risk management programs with the entire Board. 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 87.

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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 2016, 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 *http://www.conocophillips.com/sustainable-development/our-approach/policies-positions/Pages/default.aspx*.

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 all our stakeholders. Sustainable development is fully aligned with our vision to be the E&P company of choice for all stakeholders by pioneering a new standard of excellence, 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 tenth consecutive year and achieved a

"B" rating for environmental performance and disclosure from the 2016 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*.

Board Meetings and Committees

The Board of Directors met six times in 2016. 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

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* 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 87.

The current membership and primary responsibilities of the committees as well as the number of meetings held in 2016 are summarized below:

Committee		Primary Responsibilities	Number of Meetings in 2016
	John V. Faraci* **Charles E. Bunch** **Arjun N. Murti**	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.	**10**
		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.	
		Monitors the qualifications, independence and performance of our independent auditors and the qualifications and performance of our internal auditors.	
		Monitors our compliance with legal and regulatory requirements and corporate governance, including our Code of Business Ethics and Conduct.	
		Maintains open and direct lines of communication with the Board and our management, internal auditors, independent auditors and the global compliance and ethics organization.	

	Assists the Board in fulfilling its oversight of enterprise risk management, particularly with regard to market-based risks, financial reporting, effectiveness of the Company's compliance programs, information systems and cybersecurity, commercial trading and procurement.	
Ryan M. Lance* Richard H. Auchinleck John V. Faraci 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. Niblock* Richard H. Auchinleck Jody Freeman Gay Huey Evans Harald J. Norvik	Oversees our executive compensation policies, plans, programs and practices and reviews the Company's retention strategies.	**8**
	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. 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.	**5**

	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 process 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** **Gay Huey Evans**	Advises the Board on current and emerging domestic and international public policy issues.	**5**
	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*

** *Mr. James E. Copeland Jr. was a member and attended the meetings of the Audit and Finance Committee in 2016 and a portion of 2017.*

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Nominating Processes of the Committee on Directors' Affairs

The Committee on Directors' Affairs is comprised of 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 procedures described on

page 87 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 10 members, 9 of whom are independent. Each of the director nominees is a current director.

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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 2016, 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

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 described under "*Equity Compensation*" above. Due to differences in the tax laws of other countries, the Board has approved modification of the compensation for directors who are taxed under the laws of other countries. 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 Plan for Non-Employee Directors of ConocoPhillips ("Director Deferral Plan"). Deferred amounts are deemed to be invested in various mutual funds and similar investment choices (including

ConocoPhillips common stock) selected by the director from a 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. This program provides a dollar-for-dollar match of a gift of cash or securities, up to a maximum of $10,000 per donor for active directors and $5,000 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. 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 request of the Board. The Board believes that this creates a collegial environment that enhances the effectiveness of the Board. 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. The Company does not provide 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.

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Non-Employee Director Compensation continued

Non-Employee Director Compensation Table

	Fees Earned or Paid in Cash(1) ($)	Stock Awards(2)(3) ($)	Option Awards ($)	Non-Equity Incentive Plan Compensation ($)	Change in Pension Value and Nonqualified Deferred Compensation on Earnings ($)	All Other Compensation(4)(5) ($)	
ge	$ 125,000	$ 220,038	$	$	$	$ 7,000	$ 3
eck	167,764	220,038					3
nch	125,000	220,038				10,000	3
nd,	131,250	220,038				10,000	3
aci	133,750	220,038				20,000	3
nan	127,500	220,038					3
/	126,458	220,038				10,000	3
urti	125,277	220,038					3
t	140,305	220,038				10,000	3
rvik	132,774	220,038					3

(1) *Reflects 2016 annual cash compensation of $115,000 payable to each non-employee director. In 2016, 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, Murti, Niblock and Norvik received 100% of their cash compensation in restricted stock units in 2016 with an aggregate grant date fair value as shown in the table. All other directors received their cash compensation in cash or deferred such amounts into the Director Deferral Plan.

(2)
Amounts represent the aggregate grant date fair value of stock awards granted under our non-employee director compensation program. On January 15, 2016, each non-employee director received a 2016 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 $220,038 to each person who was a director on January 15, 2016.

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(3)

The following table reflects, for each director, the aggregate number of stock awards outstanding as of December 31, 2016:

Name	**Number of Deferred Shares or Units of Stock (#)**
R.L. Armitage	34,430
R.H. Auchinleck	108,979
C.E. Bunch	9,511
J.E. Copeland, Jr.	54,008
J.V. Faraci	9,511
J. Freeman	16,515
G. Huey Evans	13,127
A.N. Murti	14,645
R.A. Niblock	35,297
H.J. Norvik	61,337

In 2016, no director received delivery of common stock under a director stock award.

(4)

All amounts in this column reflect matching gifts. 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. 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 2016. 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)

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

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 10 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. The size of the Board is expected to be reduced to 10 members upon Mr. Copeland's scheduled retirement at the Annual Meeting, the end of his current term.

Directors are elected at the Annual Meeting 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. However, given Mr. Armitage's particular skills and qualifications, the Board has requested Mr. Armitage, who turns 72 in April 2017, to serve an additional one-year term, if elected.

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 2017 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 18 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 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 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 10 directors are standing for annual election this year to hold office until the 2018 Annual Meeting of Stockholders. Included below is a listing of each nominee's name, age, tenure and qualifications.

Richard L. Armitage

Age: 71 **Director since:** March 2006

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

Other current directorships:
ManTech International Corporation

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

Richard H. Auchinleck, Lead Director

Age: 65 **Director since:** August 2002

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

Other current directorships:
Telus Corporation[1]

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

Charles E. Bunch

Age: 67 **Director since:** May 2014

ConocoPhillips Committees:
Audit and Finance Committee

Other current directorships:
PNC Financial Services Group;
Marathon Petroleum Corporation;
Mondel z International, Inc.

Mr. Bunch served as Chairman and Chief Executive Officer of PPG Industries, Inc. from July 2005 to August 2015 and Executive Chairman from September 2015 to September 2016. He was President and Chief Operating Officer of PPG from July 2002 until he was elected President and Chief Executive Officer in March 2005 and Chairman and Chief Executive Officer in July 2005. Before becoming President and Chief Operating Officer, he was Executive Vice President of PPG from 2000 to 2002 and Senior Vice President, 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 was with PPG for more than 35 years prior to his retirement, holding positions in finance and planning, marketing, and general management in the United States and Europe. He currently serves on the boards of PNC Financial Services Group, Marathon Petroleum Corporation and Mondel z International, Inc. He previously served as a director of H.J. Heinz Company 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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John V. Faraci

Age: 67 **Director since:** January 2015
ConocoPhillips Committees:
Audit and Finance Committee (Chair);
Executive 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

Jody Freeman

Age: 53 **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:

Gay Huey Evans, OBE

Age: 62 **Director since:** March 2013
ConocoPhillips Committees:
Human Resources and Compensation Committee;
Public Policy Committee

Other current directorships:
Itau BBA International Limited[1,2];
The Financial Reporting Council[1,2];
Standard Chartered PLC[1,2]

Ms. Huey Evans currently serves as a non-executive director of Standard Chartered PLC and Itau BBA International Limited. She also currently serves as Deputy Chairman of The Financial Reporting Council, where she is a member of the Nomination Committee, Chair of the Beacon Awards, 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 from 2008 to 2010. She was previously head of governance of Citi Alternative Investments (EMEA) from 2007 to 2008 and 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.

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.

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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Election of Directors and Director Biographies continued

Ryan M. Lance

Age: 54 **Director since:** April 2012

ConocoPhillips Committees:
Executive Committee (Chair)

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

Skills and Qualifications:

Arjun N. Murti

Age: 48 **Director since:** January 2015

ConocoPhillips Committees:
Audit and Finance Committee

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

Skills and Qualifications:

Mr. Murti brings to the Board a deep understanding of financial oversight and accountability with his experience as a Partner at Goldman Sachs, one of the largest

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.

banking institutions. He has spent more than 25 years in the financial services industry with an extensive focus, both domestic and global, on the energy industry. This experience provides the Board valuable insight into financial management and analysis. The Board believes his experience and expertise in these matters make him well qualified to serve as a member of the Board.

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Robert A. Niblock

Age: 54 **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 Association since 2003, and has

Harald J. Norvik

Age: 70 Director since: July 2005

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

Other current directorships:
Umoe ASA1,2

Mr. Norvik currently serves on the board of Umoe ASA. He previously served on the board of Deep Ocean Group from 2011 to 2017, serving the last year as Chairman, and served on the board of Petroleum Geo-Services ASA from 2004 to 2016, serving as Vice Chairperson from 2009 to 2016. 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 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.

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.

expertise in industry and operational matters. In addition, Mr. Norvik provides valuable international 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.

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

2. *Not required to file periodic reports under the Securities Exchange Act of 1934.*

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 votes cast in person or represented by proxy at the meeting (i.e., the number of votes cast "for" a director must exceed the number of votes cast "against" that director).

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. 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 three 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, John V. Faraci, is an audit committee financial expert as defined by the SEC. The responsibilities of the Audit Committee are set forth in the written charter adopted by ConocoPhillips' Board of Directors and last amended on February 17, 2016, and which is available on our website *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 Committee's activities in this regard for 2016.

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, 2016, 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, 2016, 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 Company's General Auditor met with the Audit Committee at every in-person meeting in 2016 and was available to meet without company management present at each of these meetings.

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 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, 2016.

THE CONOCOPHILLIPS AUDIT AND FINANCE COMMITTEE

John V. Faraci, *Chairman*
Charles E. Bunch
Arjun N. Murti

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 2017. The Audit Committee has appointed Ernst & Young to serve as the Company's independent registered public accounting firm for fiscal year 2017.

What are the Audit Committee's responsibilities with respect to the independent registered public accounting firm?
The Audit Committee is directly responsible for the appointment, compensation, retention and oversight of the independent registered public accounting firm retained to audit the Company's financial statements. The Audit Committee has appointed Ernst & Young to serve as the Company's independent registered public accounting firm for fiscal year 2017.

The Audit 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 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 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 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 2016 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 2016 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 2016 and 2015?
Ernst & Young's fees for professional services totaled $13.8 million for 2016 and $14.6 million for 2015. 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 $12.3 million for 2016 and $12.6 million for 2015.**

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 $1.2 million for 2016 and $1.7 million for 2015.**

Tax Fees **fees for tax services, which consisted of tax compliance services and tax planning and advisory services, were $0.4 million for 2016 and $0.3 million for 2015.**

All Other Fees **fees for other services were negligible in 2016 and 2015.**

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The Audit 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 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 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 Committee. The Audit 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 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 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 2017.

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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, any executive who reports directly to the CEO, or any other employee considered an officer under Section 16(b) of the Securities Exchange Act of 1934. As of December 31, 2016, the Company had 15 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 30 of this Proxy Statement, which summarizes certain of the HRCC's activities during 2016 and early 2017 concerning compensation earned during 2016 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* 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 2016.

Members
The HRCC currently consists of five 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 2016, 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 30.

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

- **Routinely receives 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 HRCC has reviewed and discussed the "*Compensation Discussion and Analysis*" presented in this Proxy Statement starting on page 30 with members of management, including the Company's Chief Executive Officer and Chief Financial Officer.

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, 2016).

THE CONOCOPHILLIPS HUMAN RESOURCES AND COMPENSATION COMMITTEE

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

Human Resources and Compensation Committee Interlocks and Insider Participation

During the year ended December 31, 2016, 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 HRCC, (2) a director of another entity, one of whose executive officers served on our HRCC 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 HRCC (1) was an officer or employee of the Company or any of our subsidiaries during the year ended December 31, 2016, (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.

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 HRCC, which is responsible for the compensation of our executive officers, has overseen the development of a compensation program designed to attract, retain and motivate executives who enable us to achieve our strategic and financial goals. The Compensation Discussion and Analysis and the tabular disclosures regarding Named Executive Officer compensation, together with the accompanying narrative disclosures, 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 83% 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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Item 4 on the Proxy Card

Advisory Vote on Frequency of Advisory Vote on Executive Compensation

What am I voting on?
ConocoPhillips is providing stockholders with the opportunity to advise the Board whether the Company should conduct an advisory vote on the compensation of its Named Executive Officers every one, two or three years. The Board expects that it will adopt the frequency receiving the highest number of votes. Stockholders may also abstain from voting on this item. Stockholders are being asked to vote on the following advisory resolution:

> **RESOLVED**, that the stockholders desire to hold an advisory vote on the compensation of ConocoPhillips' Named Executive Officers every one, two or three years, as determined by the alternative that receives the highest number of stockholder votes.

What is the effect of this resolution?
Because your vote is advisory, it will not be binding upon the Board. However, the Board of Directors and the HRCC will take into account the outcome of the vote when determining which frequency it will adopt.

What does the Board recommend?
THE BOARD BELIEVES THAT THERE ARE ADVANTAGES AND DISADVANTAGES TO ANY OF THE ALTERNATIVES AND THAT NO ONE IS CLEARLY SUPERIOR TO ANOTHER. ACCORDINGLY, THE BOARD EXPECTS TO HOLD SAY-ON-PAY VOTES IN THE FUTURE IN ACCORDANCE WITH THE ALTERNATIVE THAT RECEIVES THE MOST STOCKHOLDER SUPPORT.

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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 ("NEOs") 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

In 2016, our NEOs included Mr. Jeffrey W. Sheets and the following NEOs who were active at December 31, 2016 ("active NEOs"):

*

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 remained in his position as Executive Vice President, Finance and Chief Financial Officer until April 1, 2016 and following that remained an employee of ConocoPhillips through May 31, 2016 to provide support during the transition of his responsibilities. Prior to April 1, 2016, these members of the ConocoPhillips executive leadership team had the following titles, reflecting their responsibilities at that time:

Donald E. Wallette, Jr. was Executive Vice President, Commercial, Business Development and Corporate Planning.

Matthew J. Fox was Executive Vice President, Exploration and Production.

Alan J. Hirshberg was Executive Vice President, Technology and Projects.

Overview of Our Compensation Programs

Our executive compensation programs include a mix of fixed and variable pay with performance periods ranging from one to 10 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. Previously, TSR and financial/operational metrics were each 40%. Now, TSR is weighted 50% and financial metrics are 30%. Strategic metrics have remained 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%. These changes are effective for the programs beginning in 2016.

**

See "Process for Determining Executive Compensation Performance Criteria" beginning on page 47 for details regarding the specific performance metrics within each category.

Our executive compensation programs also apply to executives upon retirement.

Mr. Sheets, who retired effective June 1, 2016, was paid his salary through May 31, 2016 and was paid for any unused vacation. His annual cash incentive under the Variable Cash Incentive Program ("VCIP") was also prorated to his retirement date since this incentive is calculated based on actual pay rather than rate of pay. Mr. Sheets' salary and annual cash incentive in the *Summary Compensation Table* on page 60 reflect the actual amounts paid. By contrast, the amounts shown in the *Summary Compensation Table* on page 60 concerning the equity awards under our long-term incentive programs reflect the targets set at the beginning of the performance period, not the actual amounts paid. For instance, the options granted to Mr. Sheets in 2016 were forfeited, since the terms of our option awards require the executive to remain with the Company for at least six months after the grant to avoid forfeiture, except in cases of death or disability. The performance share units under the Performance Share Program ("PSP") granted in 2016 were also forfeited, since the terms of our performance share unit awards require the executive to participate for at least one year in the performance period to avoid forfeiture, except in cases of death or disability. The 2014 and 2015 PSP grants were prorated for the time served prior to retirement in the respective three-year performance periods with the final payout to be determined by the HRCC when it makes its decisions for all other participants in these programs. The 2014 and 2015 stock option grants were retained in full pursuant to the normal program terms and conditions although there was no realizable value upon retirement or at year-end because the stock price was lower than the exercise price; upon retirement, the vesting schedule does not accelerate and the term remains at ten years from grant. Thus, the amounts shown at target in the *Summary Compensation Table* do not reflect the amounts actually paid to a retiring executive. The amounts actually paid are shown in detail in the relevant footnotes to the *Summary Compensation Table* and the other executive compensation tables.

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Executive Overview continued

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 2016 is reflective of performance during both our short- and long-term incentive program periods. Compensation performance highlights include:

2016 Compensation Performance Highlights

In determining award payouts under our Performance Share Program and Variable Cash Incentive Program, 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 2016 VCIP and PSP XII (2014-2016) including operational and safety metrics, it is impossible to ignore the dramatic weakening of oil and gas prices, which has negatively impacted both our earnings and shareholder returns. The HRCC set the corporate payout for our senior employees in the PSP XII program below target at 88%. The VCIP program, which is available to all employees, is made up of

50% corporate performance and 50% business unit performance. The corporate award was below target at 73% but strong operational and safety results were recognized in the business unit payout. The business unit payout, which provides employees with line-of-sight to their own business unit's performance rather than corporate performance, ranged from 105% to 135%, for a salary weighted average of 121%. This resulted in a combined corporate and business unit average payout of 97% for each of our Named Executive Officers. Consistent with 2015, despite significant individual leadership shown during the one- and three-year performance periods, to align pay and overall performance, no individual adjustments were made for our Named Executive Officers for PSP XII or 2016 VCIP.

We paid out performance-based programs as follows:

Long-Term Incentive Performance Share Program (PSP)

The ultimate value of a performance share award is impacted by not only the HRCC's assessment of corporate performance but also by changes in share price, up or down, further demonstrating strong alignment between executive incentive compensation and stockholder interests.

Annual Incentive Variable Cash Incentive Program (VCIP)
All of our employees are eligible for VCIP. The VCIP payout is calculated using the following formula, subject to HRCC approval and discretion within established limits:

See "*Process for Determining Executive Compensation*" on page 41 and "*2016 Executive Compensation and Analysis and Results*" on page 50.

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Executive Overview continued

2016 Say on Pay Vote Result and Engagement
At our 2016 Annual Meeting, approximately 83% 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 stockholders' views regarding the Company's compensation programs. The Company is committed to maintaining regular dialogue with its investors intended to:

1 Solicit their feedback on executive compensation and governance-related matters;

2 Evaluate the Company's compensation programs; and

3 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 2016 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 42.

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

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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, business 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, the Committee 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 the right to exercise, refuse to honor the exercise of awards already requested, or cancel awards granted if an executive engages in any activity we determine is detrimental to the Company.

Independent Compensation Consultant: The Committee retained FWC to serve as its independent executive compensation consultant. During 2016, 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 awarded under the PSP are only paid out to the extent that the underlying award is ultimately earned.

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

No Pledging, Hedging, Short Sales, or Derivative Transactions: Company policies prohibit our directors and executives from pledging 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.

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2016 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 relatively high, stable oil prices. We delivered on our commitments to stockholders and met or exceeded our strategic objectives through 2014. However, oil and gas prices began a precipitous decline in late 2014 and lower prices persist today.

During the oil price downturn, we adopted a view that oil prices are likely to remain low and volatile in the future. Against that macro view, we took action to be more competitive and deliver more consistent, resilient and predictable performance through the price cycles. Since the beginning of 2014, we have lowered the cost structure of our business, lowered the cost of supply of our resource base and improved our capital flexibility by:

- Lowering our annual capital expenditures by approximately 70 percent;
- Reducing production and operating expenses by 22 percent and reducing adjusted operating costs* by 26 percent;
- Exiting higher cost activities, such as deepwater exploration;
- Generating more than $4.5 billion in proceeds from non-core asset dispositions;
- Shifting our capital to shorter-cycle investments; and
- Reducing our dividend.

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

In conjunction with these changes, management made the difficult decision to reduce the number of employees by a further 16% in 2016, which resulted in a reduction of approximately 30% of our employees in 2015 and 2016. For the second year in succession, the annual salary adjustments were set at zero in 2016.

Implementing these changes was difficult, but allowed us to sustainably lower the Brent price at which we can fund our capital

program and dividend with cash from operating activities. It also enabled us to update our value proposition in late 2016. Our principles have not changed since we launched as an independent E&P company in 2012. We remain committed to a strong balance sheet, a growing dividend, disciplined growth and a focus on financial returns. However, our strategy and operating plan have been reset based on a view that we must be positioned to succeed in a world of greater price uncertainty and cyclicality.

To deliver double-digit returns to stockholders annually through a disciplined, returns-focused value proposition, we will manage the business for cash flow generation with five clear cash flow allocation priorities. In order, these priorities are:

- Invest enough cash to maintain flat production and pay our existing dividend;

Grow our dividend;

Reduce our debt levels to target an "A" credit rating;

Target a payout of 20 to 30 percent of our cash from operating activities through a combination of the dividend and share buybacks; and

Grow production.

By early 2017, all five priorities had been activated and we had begun to deliver against all of them. We believe we can achieve these priorities over time at Brent prices of at least $50 per barrel. We also intend to accelerate our value proposition by continuing to high-grade our portfolio, which is expected to improve earnings and cash flow drivers across the business.

We have a viable and sound strategy and operating plan for 2017 and beyond. We have taken aggressive steps to position ourselves with a unique value proposition that works over a range of prices and through the inevitable cycles of this business. We continue to monitor the environment and track performance against our plan. We believe our disciplined, returns-focused value proposition can allow us to deliver 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 2016 target pay and approximately 83% of the active Named Executive Officers' 2016 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: 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 47 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.

For the long-term incentive awards, targets are set in shares near the beginning of the performance period and payouts are based on stock price at the end of the performance period. Thus, value for the executives is tied to stock price performance throughout the performance period. In addition, the ultimate value of performance share payouts, the value of all other long-term incentive awards and annual incentive payouts awards earned are a function of the Company's actual operational, financial and stock price performance. The Committee may further adjust earned amounts under the PSP and VCIP based on individual performance, however, no such adjustments for NEOs were made in 2015 or 2016. We intend for actual compensation to vary above or below target levels commensurate with performance at the Company, business unit, and individual levels.

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Alignment of CEO Compensation and Performance

Using the process described beginning on page 41, the HRCC exercised its discretion to reduce actual amounts earned under the annual incentive program 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 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 and using a

20-trading day simple average prior to the beginning of a period and a 20-trading day simple average prior to the end of the period. The graph shows the percentile ranking for TSR and CEO compensation from January 1, 2013 through December 31, 2015 for ConocoPhillips and each of our performance peers* (2016 peer compensation data is not yet available). ConocoPhillips' ranks ahead of two-thirds of our peers in TSR and ranks approximately in the 75th percentile, or third among peers, for pay for this time period, indicating alignment between pay and performance.

* *Includes performance peers in the New Peer Group indicated on page ix excluding Marathon Oil which was added in 2016.*

Equity-Based Compensation

More than 72% of the CEO's target compensation is granted in the form of equity through our two long-term incentive programs, the Performance Share Program and Stock Option Program. The equity grants included in the *Summary Compensation Table* reflect their target value calculated using the grant date fair value. The *Summary Compensation Table* is not updated for actual payout levels or subsequent changes in share price, up or down, and therefore

continues to reflect target value on the grant date, versus the value ultimately realized. For the Performance Share Program, the amount ultimately realized is based on actual company performance over the three year period and any individual adjustments as well as share price changes until the final settlement date. For stock options, the value realized is dependent on share price appreciation at the time the option is exercised.

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Performance Share Program
For the performance share programs ending in 2014 (PSP X), 2015 (PSP XI) and 2016 (PSP XII), the corporate payout level assessed by the Committee was 156%, 108%, and 88%, respectively. The payout levels are aligned with Company performance which was negatively impacted when oil and gas prices began a precipitous decline in late 2014 that continued into 2015 and 2016. Although PSP X and XI awards resulted in above target payout levels, the value of the

awards, denominated in stock units until settlement, fluctuates with the share price. The PSP X award remains restricted and any value will only be realized once the restrictions are lapsed at the end of the five-year restriction period. The design of the program to link both the payout level to performance and the value of the award to share price further demonstrates strong pay and performance alignment.

Stock Option Program
Recognizing the potential dilution in a low share price environment, the Committee made the decision to reduce the weighting on stock options by 20% (from 50% to 40% weighting) and increase the weighting on performance shares from 50% to 60% effective with the 2016 stock option grant. The 2016 stock option grant had no

realizable value at year-end because it was not yet exercisable under the Company's vesting rules. The 2014 and 2015 stock option grants, while partially exercisable in 2016, also had no realizable value because the stock price during the year was below the exercise price.

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 assigned roles,

responsibilities and duties, experience, 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 44 for a discussion of this process.

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Components of Executive Compensation continued

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 did not represent a change in overall compensation philosophy; however, our actions remain driven primarily by a recognition of the weak price environment. The Company also laid off or otherwise terminated approximately 17% of its employees in 2015 and 16% in 2016.

The HRCC reviews base salary annually for each of the NEOs. Base salary for the CEO has remained unchanged since March 1, 2013. Base salary for the remaining NEOs has remained unchanged since March 1, 2014 except that in February 2016, the HRCC approved compensation actions related to the expanded roles for Messrs. Hirshberg and Wallette following the retirement of Mr. Sheets. With these changes, the number of executive vice presidents was reduced from four to three. 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 resulted in a prorated increase in base salary and VCIP target value but did not impact 2016 long-term incentive targets granted in February 2016.

The table below shows the base salary for each Named Executive Officer earned during the years ended 2015 and 2016:

Name	12/31/2015	12/31/2016
R.M. Lance	$ 1,700,000	$ 1,700,000
D.E. Wallette, Jr.	874,000	939,550
J.W. Sheets (retired)*	888,000	380,246
M.J. Fox	1,241,000	1,241,000
A.J. Hirshberg	1,096,000	1,178,200
J.L. Carrig	760,032	760,032

*

Mr. Sheets retired effective June 1, 2016. The amount shown for Mr. Sheets in the 12/31/2016 column is his salary (including pay in lieu of vacation) earned through May 31, 2016 as reported in the Summary Compensation Table for 2016 at page 60.

Performance-Based Pay Programs

Long-Term Incentives

Our primary long-term incentive compensation programs for executives are the Performance Share Program ("PSP") and the Stock Option Program. Less than 60 of our current employees participate in these programs. Our programs have historically targeted 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 are reflected in the compensation tables starting on page 60, since it was effective for the awards granted in 2016, but it is important to note that earlier years used the prior mix, which is also reflected in the compensation tables for those years.

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. Targets are set in shares near the beginning of the performance period and payouts are based on stock price at the end of the performance period. Thus, value for the executives is tied to stock price performance throughout the performance period.

Each executive's 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. Changes in salary not accompanied by a change in salary grade do not affect the existing targets.

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 2016 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 2014, 2015 or 2016 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 2014, 2015 or 2016. 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). 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.

Annual Incentive

All of our employees throughout the world not only our executives participate in our annual incentive program, called the Variable Cash Incentive Program ("VCIP"). It is our primary vehicle for recognizing Company, business unit, and individual performance for the 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 business unit performance for the Named Executive Officers, and the Named Executive Officers receive an average of performance measured under all business units. See "*Process for Determining Executive Compensation Performance Criteria*" beginning on page 47 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.

Process for Determining Executive Compensation

Our executive compensation programs take into account market-based compensation for executive talent; internal pay equity with our employees; past practices of the Company; corporate, business unit and individual results; and the talents, skills and experience that each individual executive brings to ConocoPhillips. Our Named Executive Officers each serve without an employment agreement. 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 76 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 47, 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.

Process for Determining Executive Compensation continued

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 43, the HRCC makes critical decisions on competitive compensation levels, program design, performance targets, corporate, business unit and individual performance and appropriate pay adjustments necessary to reflect short- and long-term performance.

The 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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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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Process for Determining Executive Compensation continued

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 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 2016. 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.

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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 12/31/16(1) ($billions)	2015 Production (MBOED)(2)	Compensation Peer	Performance Peer
Exxon Mobil Corporation	374	4,097		
Royal Dutch Shell plc	231	2,954		
Chevron Corporation	222	2,622		
TOTAL SA	124	2,347		
BP plc	121	3,277		
ConocoPhillips	62	1,589		
Occidental Petroleum	54	668		
Anadarko Petroleum Corporation	39	836		
Apache Corporation	24	535		
Devon Energy	24	680		
Marathon Oil Corporation(3)	15	429		
Fortune 100 Industrials (for CEO & staff executives)				

(1) *Source: Bloomberg.*

(2) *Based on publicly available information.*

(3) *Due to the 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. For earlier years, BG Group remains as a performance peer, to the extent that its performance can be ascertained and applied in our comparative metrics.*

Setting Compensation Targets Compensation Peer Group
At the February 2016 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*."

Process for Determining Executive Compensation continued

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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Performance Criteria
We use corporate and business 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

PSP and VCIP, 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 2016, the HRCC assigned approximately the following weights to the measures under PSP and VCIP:

* *At its December 2015 meeting, the HRCC changed the weighting of metrics for performance shares effective for program periods beginning in 2016 so that TSR increased to 50% and financial and operational metrics were changed to financial metrics only and reduced to 30%, with strategic metrics remaining at 20%.*

Corporate Performance Criteria

We utilize multiple measures of performance under our programs (some of which are non-GAAP financial measures) to ensure that no single aspect of performance is driven in isolation.

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, process safety events, hydrocarbon spills, Total Recordable Rates and Lost Workday Rates.

Operational This measure was adopted to focus on various operational elements. For VCIP, these include absolute targets for production, capital expenditures, operating & overhead costs, Reserve Replacement Ratio, and milestones for exploration and projects. 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 adjusted ROCE (discussed below) and adjusted CROCE (discussed below), both absolute and percent relative improvement to peers. For PSP, the elements include absolute cash margin growth, relative cash margins per BOE (barrel of oil equivalent), ROCE/CROCE, both relative and relative improvement 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.

Process for Determining Executive Compensation continued

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, 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 resetting strategy and positioning the Company for long-term success (preserve balance sheet strength and retain future optionality, drive sustainable operating cost reductions & optimize returns, continue to implement new fit for purpose operating philosophies, reduce cost of supply within existing resource base, and advance long-term strategy for organic resource development and exploration) and engaging and communicating (drive strategy alignment across the organization and focus external engagement on issues and stakeholders critical for success). For PSP, in addition to those elements, it also includes progress to cash flow neutrality in 2017, align growth options, culture, organization, governance, diversity, opportunity capture, policies/controls, reputation, stakeholder relationships 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 shareholders 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 all of our employees participating and uses a one-year performance period.

PSP is confined to senior management and uses a three-year performance period.

Business Unit Performance Criteria

With regard to VCIP, half of the performance measurement is based on the performance of the business units to which employees are assigned. This provides each employee with good line-of-sight to elements that he or she more directly influences than the metrics that are part of the corporate component of the performance measurement. There are 34 discrete business units within the Company designed to measure performance and to reward employees according to business outcomes relevant to the particular group. Although most employees participate in a single business unit designated for the operational or functional group to which such employee is assigned, a manager may participate in a blend of the results of more than one of these business 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 business units being blended together on a salary-weighted basis (that is, the proportion of the total salaries of employees in that business unit to the total salaries paid by the Company) to determine the expected payout for the business unit portion of VCIP, subject to the discretion of the HRCC to set the payout otherwise.

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Performance criteria are goals consistent with the Company's operating plan and include quantitative and qualitative metrics specific to each business 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 business unit's performance and has discretion to adjust any such recommendation in approving the final awards.

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 PSP or VCIP, 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 PSP and VCIP are set, but they are subject to downward adjustment through the application of the generally applicable methodology for PSP and VCIP awards previously discussed, effectively establishing a ceiling for PSP and VCIP payments to each Named Executive Officer. Threshold performance criteria for PSP and VCIP differed, due primarily to the different lengths in the threshold performance periods.

For PSP, the criteria for the 2014-2016 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 and excluding non-cash working capital) of at least $31.2 billion.

For 2016 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 150 MMBOE;

(3) Cash from operations (excluding non-cash working capital) of at least $1.5 billion; or

(4) Controllable operating and overhead costs (adjusted for special items) of $8 billion or less.

For the PSP 2014-2016 program period, the specified companies for comparison were ConocoPhillips, ExxonMobil, Royal Dutch Shell, Chevron, Total, BP, Occidental, BG Group, Anadarko, Devon and Apache. BG Group was discontinued as a comparator company upon its acquisition by Royal Dutch Shell. For the 2016 VCIP program period, the specified companies for comparison were ConocoPhillips, ExxonMobil, Royal Dutch Shell, Chevron, Total, BP, Occidental, Anadarko, Devon, Apache and Marathon Oil.

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 2014 Omnibus Stock and Performance Incentive Plan (the 2011 Omnibus Stock and Performance Incentive Plan for performance periods beginning before 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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2016 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 2016.

In determining performance-based compensation awards for our Named Executive Officers for performance periods concluding in 2016, the HRCC began by assessing overall Company performance. The Committee then considered any adjustments to the awards under our three performance-based compensation programs (PSP, Stock Option Program and VCIP) in accordance with their terms and pre-established criteria, as the Committee retains the discretion to make a positive or negative adjustment to awards, other than stock option awards whereby no upward adjustment is allowed, 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.

Long-Term Incentive: Performance Share Program (PSP)
In 2014, the HRCC approved a new performance period and performance metrics for PSP XII running from January 2014 December 2016.

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. Less than 60 of our current senior employees participate in this program.

Corporate Performance

The Performance Share Program comprises 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 XII, 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 XII required an assessment of performance against the three corporate performance metrics for the three-year period from 2014 - 2016. The HRCC first assessed performance based on the factors within our control. For the PSP XII period, the HRCC recognized senior leadership's success in taking decisive actions following the downturn to reduce the cost structure of our business, lower the cost of supply of our resource base and improve our capital flexibility by reducing our annual capital

expenditures by approximately 70%, reducing adjusted operating costs* by 26%, exiting higher cost activities such as deepwater exploration, selling more than $4.5 billion of non-core assets, shifting our capital to shorter-cycle investments and reducing our dividend. The HRCC also recognized that leadership strengthened the Company's balance sheet and established clear priorities for allocating future cash flows in a compelling updated value proposition that was announced and activated in 2016. The Committee also recognized that although ranking ninth for TSR performance, the relative rankings among the independent peers was closely grouped and the Company's result was within 2.5% of the total integrated and independent peer average and higher than the independent peer average. These considerations resulted in a program payout of 88%.

The HRCC believes the PSP XII payout reflects the strong execution delivered by the senior leaders of the Company during the period from 2014 - 2016, yet also recognizes the reduced returns to shareholders resulting from continuing weak oil and gas prices. The HRCC believes it has demonstrated strong alignment between senior leadership and stockholder interests.

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

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

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

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2016 Executive Compensation Analysis and Results continued

Individual Performance Adjustments

An important design element of our PSP program is the Committee's ability to make 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, to align pay and overall performance, the Committee made the decision not to make individual adjustments for each of our Named Executive Officers for PSP XII despite significant individual leadership shown during the performance period. This is the second consecutive year that the Committee has made no such individual adjustments for our Named Executive Officers in this program or VCIP. This does not represent a change in overall compensation philosophy.

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Long-Term Incentive: Stock Option Program

All awards under the Stock Option Program for 2014, 2015 and 2016 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 of the Committee to positively adjust stock option awards by up to 30%. Less than 60 of our current employees participate in this program.

Annual Incentive Variable Cash Incentive Program (VCIP)

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

The VCIP program is designed to incentivize all employees worldwide to execute their duties in a way that achieves the Company's approved strategy.

Corporate Performance (50% of VCIP Payout)

In December 2015, 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 within the corporate performance component.

In determining award payouts under VCIP in 2016, 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. Our operational and safety performance was exceptional in 2016. We

delivered production growth excluding downtime and dispositions with less capital and significantly reduced operating costs while maintaining strong HSE performance, including recording of our best ever combined workforce Total Recordable Rate since the spinoff.

In assessing our 2016 VCIP performance, the Committee felt it was important to recognize the strong operational and safety performance the Company achieved last year, while acknowledging that commodity prices negatively impacted our financial performance and our total shareholder return. Thus, our 2016 VCIP payout reflects our efforts to balance our 2016 operational success with the financial realities of the business, and the HRCC exercised discretion to reduce the 2016 VCIP payout related to corporate performance as noted on the following page.

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2016 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:

(1) *Financial Results* **Negative Adjustment of 90%; reduced to 0% payout.** We exceeded our absolute targets, but prices negatively impacted our financial performance resulting in a $3.3B adjusted earnings net loss*. As a result, the Committee applied negative discretion to this metric.

(2) *Strategic Plan* **Negative Adjustment of 25%; reduced to 75% payout.** The Company took decisive actions to reset the business for more predicable performance through price cycles by maintaining a strong balance sheet, a low cost structure and a low cost of supply resource base, while preserving strategic flexibility. In late 2016, the Company announced an updated value proposition, which has been well received but only marginally influenced 2016 performance. Despite these positive actions, both earnings and total shareholder returns were negatively impacted by the downturn in oil prices and the Committee felt it was appropriate to apply negative discretion to this metric.

* *Our GAAP net earnings loss for the period was $3.6B. Adjusted earnings (loss) is a non-GAAP financial measure. A reconciliation to 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*

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2016 Executive Compensation Analysis and Results continued

Business Unit Performance (50% of VCIP Payout)

The business units were subject to the following metrics:

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

Exploration & Production Non-Operating Business Units 60% Milestones, 15% Unit Cost, 20% Production and 5% HSE

Staff Business Units 65% 75% Milestones, 20% E&P Business Unit Average and 5% 15% HSE

Business unit performance payouts for our 34 business units ranged from 105% to 135% in 2016. The Committee approved an average business unit payout of 121% of target for each of our Named Executive Officers. This reflects the salary weighted average for the business units.

Individual Performance Adjustments

An important design element of the program is the Committee's ability to make 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 during the year. However, based on the prolonged downturn in commodity prices, which has negatively impacted both our earnings and shareholder returns, to align pay and overall performance, the Committee made the decision not to make individual adjustments for our Named Executive Officers for VCIP despite significant individual leadership shown during the performance period. This is the second consecutive year that the Committee has made no such individual adjustments for our Named Executive Officers in this program or PSP. This does not represent a change in overall compensation philosophy.

2017 Target Compensation

In addition to determining the 2016 compensation payouts, the HRCC established the targets for 2017 compensation for our active Named Executive Officers under our four primary compensation programs. As discussed under "*Components of Executive Compensation*" beginning on page 39, with the exception of salary, the targeted amounts shown below for active NEOs are performance-based and,

therefore, actual amounts received under such programs, if any, may differ from these targets. In setting 2017 target compensation, there were no base salary adjustments for any of the NEOs and the target compensation for Mr. Lance has remained unchanged since March 1, 2013.

Name	Salary	2017 VCIP Target Value	2017 Stock Option Award Target Value	PSP 17 (2017-2019) Target Value	Total 2017 Target Compensation
R.M. Lance	$ 1,700,000	$ 2,720,000	$ 4,632,000	$ 6,948,000	$ 16,000,000
D.E. Wallette, Jr.	961,400	961,400	1,499,784	2,249,676	5,672,260
M.J. Fox	1,241,000	1,427,150	2,184,160	3,276,240	8,128,550
A.J. Hirshberg	1,205,600	1,386,440	2,121,856	3,182,784	7,896,680
J.L. Carrig	760,032	676,428	1,003,242	1,504,863	3,944,565

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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 73.

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 69.

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 74. 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, 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 HRCC. 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.

Clawback Policy

The Committee has 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. To the extent 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 or are exempt from 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.

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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 for 2016. Please also see our discussion of the relationship between the "*Compensation Discussion and Analysis*" to these tables under

"*2016 Executive Compensation Analysis and Results*" beginning on page 50. The data presented in the tables that follow include amounts paid to the Named Executive Officers by ConocoPhillips or any of its subsidiaries for 2016.

Summary Compensation Table

The *Summary Compensation Table* below reflects amounts earned with respect to 2016 and, with regard to non-equity incentive plan compensation, for the performance period ending in 2016. We also provide 2017 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.

	Year	**Salary(1) ($)**	**Bonus(2) ($)**	**Stock Awards(3) ($)**	**Option Awards(4) ($)**	**Non-Equity Incentive Plan Compensation(5) ($)**	**Change in Pension Value and Nonqualified Deferred Compensation Earnings(6) ($)**	**All Oth Compensati**
	2016	$ 1,700,000	$	$ 6,607,217	$ 4,419,261	$ 2,638,400	$ 3,601,723	$ 245,4
	2015	1,700,000		6,630,693	5,790,780	2,524,160	4,392,300	301,7
	2014	1,700,000		6,116,797	5,790,798	3,568,640	9,933,060	467,7
	2016	939,550		1,944,837	1,301,146	911,364	2,248,397	61,5
ident,	2015	874,000		1,951,740	1,704,798	811,072	1,091,611	85,4
al, and CFO	2014	874,000		1,800,494	1,704,492	1,102,988	2,263,159	133,1
d)(7)	2016	380,246		1,975,994	1,321,628	358,900	(8)	29,9
ident,	2015	888,000		1,983,038	1,732,464	824,064	1,606,855	93,3
	2014	888,000		1,829,298	1,731,951	1,120,656	2,727,863	102,4
	2016	1,241,000		3,115,552	2,083,774	1,384,336	414,358	91,3
ident,	2015	1,241,000		3,126,619	2,730,348	1,324,395	125,684	159,3
n &	2014	1,241,000		2,884,300	2,730,645	1,872,421	417,999	177,0
	2016	1,178,200		2,751,504	1,840,685	1,314,282	2,262,525	121,4
ident,	2015	1,096,000		2,761,283	2,411,712	1,169,651	1,190,020	159,0
& Projects	2014	1,085,667		3,219,979	2,016,711	1,602,444	3,676,401	146,2
	2016	760,032		1,431,038	957,264	656,136	165,708	70,3
nt,	2015	760,032		1,436,141	1,254,510	627,726	154,017	92,4
nsel &	2014	752,860		1,249,820	1,183,788	845,597	129,849	96,9

(1) *Includes any amounts that were voluntarily deferred under the Company's Key Employee Deferred Compensation Plan. The amount presented for Mr. Sheets includes a payment under the standard vacation*

policy of the Company for pay in lieu of vacation in connection with his retirement effective June 1, 2016.

(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 2016 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 2014, 2015 and 2016. 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.

The amounts shown for 2014 include the full initial target for 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 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. The amounts shown for 2016 include the full target for PSP XIV for the performance period January 2016 December 2018, as well as any incremental targets set during 2016 with regard to any ongoing performance period as a result of promotions.

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 XII (January 2014 December 2016), were approved by the HRCC at its February 2017 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 2014 and ended in December 2016. Pursuant to that decision, payouts were made in February 2017 (with values shown at fair market value on the date of settlement) to the Named Executive Officers as follows: Mr. Lance, 82,226 units valued at $3,919,713; Mr. Wallette, 24,204 units valued at $1,153,805; Mr. Sheets, 19,809 units valued at $944,295; Mr. Fox, 38,773 units valued at $1,848,309; Mr. Hirshberg, 33,930 units valued at $1,617,443; and Ms. Carrig, 16,801 units valued at $800,904. Under the terms and conditions of the awards, participants were able to make elections prior to the beginning of the performance period to defer all or a portion of the award value into the Company's Key Employee Deferred Compensation Plan. Mr. Lance deferred 20% of the value, equal to $783,943 and Mr. Wallette deferred 100% of the value, equal to $1,109,689 (net of taxes withheld). See also the section on Nonqualified Deferred Compensation beginning on page 73 for further information, although, since these amounts were not deferred until 2017, they are not reflected in the table.

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 early retirement after age 55 with five years of service, restrictions lapse unless the employee has elected to defer receipt of the payout 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.

(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 2016 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 the section on Nonqualified Deferred Compensation beginning on page 73 for further information. 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, discount 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. The discount rate assumptions and discount periods from the assumed retirement age to current age used in determining the present value may also have a significant impact on the pension values with lower discount rates having the effect of increased actuarial values reported and vice versa, and shorter discount periods having the effect of increased actuarial values reported and vice versa. The years of service credited is also a factor in the benefit accrual, and for each additional year of service credit, this will generally result in an increase in the actuarial values reported. 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 in 2012 and, for Messrs. Wallette and Hirshberg, as a result of the new allocation of responsibilities with the retirement of Mr. Sheets in 2016, 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 and Ms. Carrig, who are not in a final average earnings title of the Company's U.S. pension plans. The increase in Mr. Lance's lump sum value of pension for 2016 reflects a lower discount rate assumption, an additional year of age which increases his pension value to a shorter discount period from the assumed retirement age to current age, an additional year of credited service, and an increase in final average earnings offset by changes in actuarial factors such as mortality assumptions. See Pension Benefits beginning on page 69 of this Proxy Statement for further information.

(7)

Mr. Sheets retired effective June 1, 2016.

With regard to the retirement of Mr. Sheets, awards under VCIP and PSP (respectively reflected in the Non-Equity Incentive Plan Compensation ($) and Stock Awards ($) columns above) are usually reduced to reflect service for less than the full time of the relevant performance period, subject to the discretion of the HRCC to set actual payout. For PSP, except in cases of death, disability, or demotion, if the employee has participated for less than a year in a program period, awards related to that program period are forfeited. The amounts shown for VCIP in the Non-Equity Incentive Plan Compensation ($) above reflect actual amounts paid for the applicable time. The amounts shown for PSP in the Stock Awards column ($) above reflect the gross targets set for awards for 2016, 2015, and 2014. For 2014, relating to the performance period beginning in 2014, the amount actually paid out in accordance with the decision of the HRCC at its February 2017 meeting, reflecting reductions for service of less than the full time of the performance period, was $944,295. For 2015, relating to the performance period beginning in 2015, the amounts shown reflect the gross target amount prior to any such reductions, although it is expected that the HRCC will reduce the payout to be determined at its February 2018 meeting to account for service in only 17 full months during the three-year performance period. Due to his retirement less than one year after the beginning of the performance period that began in 2016, Mr. Sheets forfeited the target awards for PSP XIV for the 2016 through 2018 performance period shown in the Table above for 2016, and his target for that award was reduced to zero.

For options reflected in the Option Awards ($) column, except in cases of death or disability, if the employee retires prior to a date six months from the grant date, the option award will be forfeited. If the employee retires after a date that is six months from the grant date, the option award is retained. The 2016 option amount shown in the Option Awards ($) column for Mr. Sheets reflects the gross amount prior to any such reductions. Due to his retirement less than six months after the grant date, Mr. Sheets forfeited his 2016 stock option award, and his payout for that award was reduced to zero. With regard to his 2014 and 2015 stock option awards shown in the Option Awards ($) column, due to his retirement more than six months after the grant date, Mr. Sheets retained these stock option awards; the original vesting schedule continues to apply and the term remains ten years from original grant date.

(8)

In accordance with SEC rules prohibiting issuers from reporting a negative value in the Change in Pension Value and Nonqualified Deferred Compensation Earnings column, Mr. Sheet's total compensation excludes the effect of the distribution payments of his pension benefits as shown in the Pension Benefits Table on page 72.

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Summary Compensation Table continued

(9)

As discussed in Compensation Discussion and Analysis beginning on page 30 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:

ersonal Use of ompany 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) ($)	Matc Contribu Unde Tax-Qual Savings I
121,694	$	$ 4,692	$ 5,245	$	$ 1,806	$ 10,000	$ 15
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
		4,848	130		179		15
	97	4,510	2,050		97		23
	7,260	4,510	9,436	30,456	662		25
		1,909	2,436		3,371		15
		4,582	8,179		691		23
		4,582	2,470		518	15,000	23
		6,404	1,578		179	8,750	15
		6,404	25,114		1,119	15,000	23
	10,231	3,425	43,043		2,103	1,000	28
24,103		6,080	10,403		179	10,000	15
	19,469	3,025	26,839		1,099	10,000	23
1,283		2,997	26,870		604	15,000	25
		3,922	769		79	20,000	15
	2,399	3,922	1,158		1,602	15,000	23
	2,864	3,885	7,425			15,000	23

(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. The Company's Comprehensive Security Program requires that the CEO, 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 him- or herself. 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 expenses are 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 Wallette 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. For Mr. Sheets, $3,371 relates to retirement presentations reflecting the practice of the Company to make presentations to its retiring employees, especially those of long service. The amounts shown reflect invoiced cost to the Company.*

(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 $10,000 with regard to each program year (the limit was reduced from $15,000 effective June 1, 2015, for gifts made before 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 section beginning on page 73 for further information.

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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 2016 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 2016 program year were made in February 2017 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 2016 compensation tied to the 2016 through 2018 program period under PSP (PSP XIV) and do not represent actual payouts for that program year.

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 2016 program year under the Stock Option Program, targets were set and awards granted at the regularly scheduled February 2016 meeting of the HRCC.

		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 Stock or Units	All Other Option Awards: Number of Securities Underlying Options	Exercise or Base Price Of Options Awards Average Price	Exercise or Base Price Of Options Awards Closing Price	Grant Da Fair Value Stock a Optio Awards
	Grant Date(1)	Threshold ($)	Target ($)	Maximum ($)	Threshold (#)	Target (#)	Maximum (#)	(#)	(#)	($Sh)(4)	($Sh)(5)	
Lance		$	$ 2,720,000	$ 6,800,000								
	2/16/2016								819,900	$ 33.125	$ 32.76	$ 4,419,2
	2/16/2016					219,062	438,124					6,607,2
Wallette, Jr.			939,550	2,348,875								
	2/16/2016								241,400	33.125	32.76	1,301,1
	2/16/2016					64,481	128,962					1,944,8
Sheets (retired)			888,000(7)	2,220,000(7)								
	2/16/2016								245,200(7)	33.125	32.76	1,321,6
	2/16/2016					65,514(7)	131,028(7)					1,975,9
Fox			1,427,150	3,567,875								
	2/16/2016								386,600	33.125	32.76	2,083,7
	2/16/2016					103,296	206,592					3,115,5
Hirshberg			1,354,930	3,387,325								
	2/16/2016								341,500	33.125	32.76	1,840,6
	2/16/2016					91,226	182,452					2,751,5
arrig			676,428	1,691,070								
	2/16/2016								177,600	33.125	32.76	957,2
	2/16/2016					47,446	94,892					1,431,0

(1) *The grant date shown is the date on which the HRCC approved the target awards or in the case of prorated promotional awards under the PSP program, the effective date of the promotion. There were no promotional*

awards in 2016.

(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 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 2016 performance period including any salary increases during the year. While the program terms would also automatically adjust for salary decreases, these are not reflected in the table above (but see note 7 below with regard to Mr. Sheets and the effect of his retirement). 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 2016 are based on actual base salaries earned in 2016 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.

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(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 2016 Annual Report on Form 10-K, for a discussion of the relevant assumptions used in this determination.

(7)

Mr. Sheets retired effective June 1, 2016.

With regard to the retirement of Mr. Sheets, awards under VCIP and PSP (the target award levels of which are reflected in the Estimated Future Payouts Under Non-Equity Incentive Plan Awards and Estimated Future Payouts Under Equity Incentive Plan Awards columns) are usually reduced to reflect service for less than the full time of the relevant performance period, subject to the discretion of the HRCC to set actual payout. For VCIP, the estimated amounts are calculated based on the applicable annual target and base salary for Mr. Sheets in effect for the 2016 performance period without regard to the reduction due to his retirement. The actual payout for VCIP for Mr. Sheets for the 2016 program year is shown in the Summary Compensation Table. For PSP, except in cases of death, disability, or demotion, if the employee has participated for less than a year in a program period, awards related to that program period are forfeited. The PSP amounts shown above reflect the gross amount prior to any such reductions. Due to his retirement less than one year after the beginning of the performance period, Mr. Sheets forfeited the target awards for PSP for the 2016 through 2018 performance period shown in the Table above, and his target for that award was reduced to zero, as discussed in note 7 to the Summary Compensation Table. Not related to the PSP targets for the 2016 through 2018 performance period shown in the Table above, Mr. Sheets' targets for PSP relating to the performance periods beginning in 2014 and 2015 were reduced to reflect service of less than the full time of the respective performance periods.

For options (2016 option grant of which is reflected in the All Other Option Awards: Number of Securities Underlying Options (#) column), except in cases of death or disability, if the employee retires prior to a date six months from the grant date, the option award will be forfeited. The option amounts shown above reflect the gross amount prior to any such reductions. Due to his retirement less than six months after the grant date, Mr. Sheets forfeited his 2016 stock option award, and his payout for that award was reduced to zero, as discussed in note 7 to the Summary Compensation Table.

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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.

	Option Awards(1)					Stock Awards(8)			
Name	Number of Securities Underlying Unexercised Options (#) Exercisable(2)	Number of Securities Underlying Unexercised Options (#) Unexercisable	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned 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 Unearned Shares, Units or Other Rights That Have Not Vested (#)(15)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units, or Other Rights That Have Not Vested ($)
R.M. Lance	35,485(3)			$ 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				