CONOCOPHILLIPS
Form DEF 14A
March 28, 2013

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 Pursuant to §240.14a-12

CONOCOPHILLIPS

(Name of Registrant as Specified In Its Charter)

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

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No fee required.

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(1) Amount Previously Paid:

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Back to Contents

Back to Contents

March 28, 2013

Dear Fellow Stockholder:

I invite you to join the ConocoPhillips Board of Directors, executives, employees and your fellow stockholders at our 2013 Annual Meeting of Stockholders. The meeting will take place at the Omni Houston Hotel at Westside, 13210 Katy Freeway, Houston, Texas 77079, on Tuesday, May 14, 2013, at 9:00 a.m. CDT. The attached Notice of Annual Meeting of Stockholders and Proxy Statement provide information about the business to be conducted at the meeting.

Enhanced stockholder communications

This year's Proxy Statement demonstrates our ongoing commitment to more effectively explain the matters to be addressed at our Annual Meeting. My fellow board members and I want to provide information about our company as clearly as possible. We have included a Proxy Summary starting on page 7 that provides highlights of more detailed information included elsewhere in the Proxy Statement. We enhanced our disclosures in several areas, particularly our presentation of board of director nominees, corporate governance practices and executive compensation policies.

You will find detailed information about the qualifications of our director candidates and why we believe they are the right people to represent your interests in shaping the direction of our company, starting on page 28. We have also continued to enhance the Compensation Discussion and Analysis that begins on page 39 to show how our executive compensation is linked to performance and to clearly explain our compensation philosophy and practices.

For the first time, we are offering an Annual Meeting website for stockholders that, among other things, will enable you to learn more about our company, vote your proxy and view a live webcast of the meeting. We encourage you to visit this site at ***www.conocophillips.com/annualmeeting***.

Every vote is important – please vote right away

Your vote is very important to us and to our business. Prior to the meeting, I encourage you to sign and return your proxy card, use telephone or Internet voting, or visit the Annual Meeting website so that your vote is registered. Instructions on how to vote begin on page 12.

Our values and commitment

We run our business under a set of guiding principles that we call our SPIRIT Values – Safety, People, Integrity, Responsibility, Innovation and Teamwork. These principles set the tone for how we behave with all our stakeholders, internally and externally. They are shared by everyone in our organization and recognized throughout the industry. They distinguish us from our competitors and are a source of pride. I invite you to attend our Annual Meeting and learn more about these values and our company.

Thank you for your continued trust and confidence in ConocoPhillips.

Ryan M. Lance

Chairman and Chief Executive Officer

Back to Contents

PARTICIPATE IN THE FUTURE OF CONOCOPHILLIPS
CAST YOUR VOTE RIGHT AWAY

Your vote is very important to us and to our business. Please cast your vote right away on all of the proposals to ensure that your shares are represented.

If you are a beneficial owner and do not give your broker instructions on how to vote your shares, the broker will return the proxy card to us without voting on proposals not considered "routine." This is known as a broker non-vote. Only the ratification of Ernst & Young LLP as our independent registered public accounting firm for 2013 is considered to be a routine matter. Your broker may not vote on any non-routine matters without instructions from you.

Proposals which require your vote

		More Information	Board Recommendation	Votes Required for Approval
PROPOSAL 1	Election of Directors	Page 28	**FOR** each Nominee	**Affirmative "FOR" vote of a majority of those shares present in person or represented by proxy at the meeting and entitled to vote on the proposal**
PROPOSAL 2	Ratification of Independent Registered Public Accounting Firm	Page 34	**FOR**	
PROPOSAL 3	Advisory Approval of the Compensation of the Company's Named Executive Officers	Page 38	**FOR**	
PROPOSALS 4-6	Stockholder Proposals	Pages 80-84	**AGAINST** each Proposal	

Vote right away

Even if you plan to attend our Annual Meeting in person, please read this proxy statement carefully and vote right away using any of the following methods. In all cases, have your proxy card or voting instruction card in hand and follow the instructions.

By internet using your computer	**By internet using a tablet or smartphone**	**By telephone**	**By mailing your proxy card**
Visit 24/7 *www.proxyvote.com*	Scan this QR code 24/7 to vote with your mobile device (may require free software)	Dial toll-free 24/7 (800) 579-1639	Cast your ballot, sign your proxy card and send by mail in the enclosed postage-paid envelope

If you hold your ConocoPhillips stock in a brokerage account (that is, in "street name"), your ability to vote by telephone or over the Internet depends on your broker's voting process. Please follow the directions on your proxy card or voting instruction card carefully. If you plan to vote in person at the Annual Meeting and you hold your

ConocoPhillips stock in street name, you must obtain a proxy from your broker and bring that proxy to the meeting.

If you hold your stock through ConocoPhillips' employee benefit plans, please see "*Questions and Answers About the Annual Meeting and Voting*" for information about voting.

Visit our Annual Meeting website

Visit 24/7

www.conocophillips.com/annualmeeting

- Watch a special message for our stockholders from Ryan Lance, our Chairman and CEO
- Review and download this proxy statement and our Annual Report
- Watch a live webcast of the Annual Meeting
- Sign up for electronic delivery of future Annual Meeting materials to save money and reduce ConocoPhillips' impact on the environment

Attend our 2013 Annual Meeting of Stockholders

Date and Time:	**9:00 a.m. (CDT) on Tuesday, May 14, 2013**
Location:	**Omni Houston Hotel at Westside** **13210 Katy Freeway** **Houston, Texas 77079** **(281) 558-8338**
Record Date:	**March 15, 2013**

DIRECTIONS FROM DOWNTOWN HOUSTON

- Take I-10 West 3 miles past Sam Houston Tollway.
- Exit Eldridge Parkway, Exit 753A.

- Turn right (north) on Eldridge Parkway.

- The hotel will be immediately on your left.

Back to Contents

Table of Contents

Back to Contents

Back to Contents

NOTICE OF 2013 ANNUAL MEETING OF STOCKHOLDERS

Tuesday, May 14, 2013

9:00 a.m. (CDT)

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

The Annual Meeting of Stockholders of ConocoPhillips (the "Company") will be held on Tuesday, May 14, 2013, at 9:00 a.m. (CDT) at the Omni Houston Hotel at Westside,13210 Katy Freeway, Houston, Texas 77079, for the following purposes:

1.

To elect Directors to serve until the 2014 Annual Meeting (page 28);

2.

To ratify the appointment of Ernst & Young LLP as the Company's independent registered public accounting firm for 2013 (page 34);

3.

To provide an advisory approval of the compensation of our Named Executive Officers (page 38);

4.

To consider and vote on three stockholder proposals (pages 80 through 84); and

5.

To transact any other business properly coming before the meeting.

Only stockholders of record at the close of business on March 15, 2013 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 also will be available to stockholders at the meeting.

March 28, 2013

By Order of the Board of Directors

Janet Langford Kelly

Corporate Secretary

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.

Back to Contents

PROXY SUMMARY

This summary highlights information contained elsewhere in this proxy statement. This summary does not contain all of the information that you should consider, and you should read the entire proxy statement carefully before voting. For more complete information regarding the Company's 2012 performance, please review the Company's Annual Report on Form 10-K for the year ended December 31, 2012.

2013 Annual Meeting of Stockholders

- **Date and Time:** **May 14, 2013, 9:00 a.m. (CDT)**
- **Location:** **Omni Houston Hotel at Westside 13210 Katy Freeway Houston, Texas 77079**
- **Record Date:** **March 15, 2013**
- **Voting:** **Stockholders as of the record date are entitled to vote by Internet at *www.proxyvote.com*; by telephone at (800) 579-1639; by completing and returning their proxy card or voting instruction card; or in person at the annual meeting. If you hold your stock in street name or through ConocoPhillips' employee benefit plans, please see *"Questions and Answers About the Annual Meeting and Voting"* for more information about voting.**

Voting Matters and Board Recommendations

		Board Recommendation
PROPOSAL 1	Election of Directors	**FOR** each Nominee
PROPOSAL 2	Ratification of Independent Registered Public Accounting Firm	**FOR**
PROPOSAL 3	Advisory Approval of the Compensation of the Company's Named Executive Officers	**FOR**
PROPOSALS 4 - 6	Stockholder Proposals	**AGAINST** each Proposal

Business Highlights

Strategic

- Completed separation of downstream business (Phillips 66).
- Made significant progress on portfolio improvements.

- Delivered strong total shareholder returns.

Operational

- Exceeded volume targets; achieved annual organic production growth.
- Exceeded target for annual organic reserve replacement.
- Kept projects and drilling programs on track; built momentum in exploration activities.

Financial

- Maintained strong balance sheet.
- Issued low cost debt.
- Funded $8.4 billion of stockholder distributions.

Governance Highlights

The Board of Directors continues to monitor emerging best practices in governance and adopts measures where it determines them to be in the best interest of stockholders. In 2012, the Board amended the Company's Corporate Governance Guidelines as follows:

Lead Director

To ensure effective independent leadership of Board functions, the amended Corporate Governance Guidelines provide for the selection of a Lead Director from among the non-employee directors. The Board appointed Richard H. Auchinleck as independent Lead Director. The Lead Director has extensive responsibilities, including:

- Presiding over executive sessions of independent directors;
-

Communicating with the Chief Executive Officer on behalf of independent directors;

- Participating in the discussion of Chief Executive Officer performance with the Human Resources and Compensation Committee; and

- Ensuring that the Board annually conducts self-assessments.

Continuing Education

The amended Corporate Governance Guidelines provide for directors to receive continuing education in areas that will assist them in discharging their duties, including regular reviews of compliance and corporate governance developments; business-specific learning opportunities through site visits and board meetings; and briefing sessions on topics that present special risks and opportunities to the Company.

Back to Contents

Stock Ownership and Holding Period Requirements

Directors are expected to own as much Company stock as they receive through the 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. The amended Corporate Governance Guidelines provide that the Human Resources and Compensation Committee shall monitor compliance with the stock ownership guidelines.

Anti-Hedging

The Company considers it inappropriate for any director or executive officer to enter into speculative transactions in Company securities. The Corporate Governance Guidelines were amended to further document the Company's already existing policy prohibiting the purchase or sale of puts, calls, options or other derivative securities based on the Company's securities by directors or its senior executives. Our policy also prohibits hedging or monetization transactions, such as forward sale contracts, in which the stockholder continues to own the underlying Company security without all the risks or rewards of ownership.

Director Nominees (page 30)

Name	**Age**	**Director Since**	**Experience/Occupation**	**Independent (Yes/No)**	**Committee Memberships**[(1)]	**Other Boards**
Richard L. Armitage	67	2006	President of Armitage International; former U.S. Deputy Secretary of State; served as Assistant U.S. Secretary of Defense for International Security Affairs and held a wide variety of high ranking U.S. diplomatic positions	**Yes**	• DAC • PPC	• ManTech International Corporation • Transcu, Ltd.[(3)(4)]
Richard H. Auchinleck[(2)]	61	2002	Served as President and CEO of Gulf Canada Resources Limited and as COO of Gulf Canada; served as CEO for Gulf Indonesia Resources Limited	**Yes**	• Exec • HRCC • DAC*	• Enbridge Commercial Trust[(3)] • Telus Corporation[(3)]
James E. Copeland, Jr.	68	2004	Served as CEO of Deloitte & Touche; served as Senior Fellow for Corporate Governance with the U.S. Chamber of Commerce and as a	**Yes**	• AFC* •	• Equifax Inc. •

			Global Scholar with the Robinson School of Business at Georgia State University		Exec	Time Warner Cable Inc.
Jody L. Freeman	49	2012	Archibald Cox Professor of Law at Harvard Law School and founding director of the Harvard Law School Environmental Law and Policy Program; served as a professor of Law at UCLA Law School; served as an independent consultant to the National Commission on the Deepwater Horizon Oil Spill and Offshore Drilling and as a counselor for energy and climate change in the White House	**Yes**	• PPC	
Gay Huey Evans	58	2013	Former Vice Chairman of the Board and Non-Executive Chairman, Europe, of the International Swaps and Derivatives Association, Inc.; former Vice Chairman, Investment Banking and Investment Management at Barclays Capital; served as head of governance of Citi Alternative Investments (EMEA) and President of Tribeca Global Management (Europe) Ltd., both part of Citigroup; served as director of the markets division and head of the capital markets sector at the U.K. Financial Services Authority; previously held various senior management positions with Bankers Trust	**Yes**	• AFC	• Aviva plc.(3)(4) • The London Stock Exchange Group plc.(3)(4) • Itau BBA International Limited(3)(4) • Clariden Leu (Europe) Ltd.(3)(4) • The Financial Reporting Council(3)(4)
Ryan M. Lance	50	2012	Chairman and CEO of ConocoPhillips	**No**	• Exec*	
Mohd H. Marican	60	2011	Former President and CEO of PETRONAS; served as Senior Vice President of finance for	**Yes**	• AFC	•

			PETRONAS and as a partner in the accounting firm of Hanafiah Raslan and Mohamed (Touche Ross & Co)			Sembcorp Industries Limited(3)(4) • Sembcorp Marine Limited(3)(4) • Singapore Power Limited(3)(4) • Sarawak Energy Berhad(3)(4) • Lambert Energy Advisory Limited(3)(4)
Robert A. Niblock	50	2010	Chairman, President and CEO of Lowe's Companies, Inc.; served as VP and Treasurer, SVP, EVP and CFO of Lowe's; formerly with accounting firm Ernst & Young	**Yes**	• AFC	• Lowe's Companies, Inc.
Harald J. Norvik	66	2005	Chairman of Aschehoug ASA and Vice Chairperson of Petroleum Geo-Services ASA; served as Chairman and a partner at Econ Management AS; served as Chairman, President & CEO of Statoil	**Yes**	• Exec • HRCC • PPC*	• Petroleum Geo-Services ASA(3) • Aschehoug ASA(3)(4)
William E. Wade, Jr.	70	2006	Served as President of Atlantic Richfield Company as well as other management positions	**Yes**	• Exec • HRCC*	

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DAC

(1)

Full committee names are as follows:

AFC – Audit and Finance Committee

Exec – Executive Committee

HRCC – Human Resources and Compensation Committee

DAC – Committee on Directors' Affairs

PPC – Public Policy Committee

* – denotes committee chairperson

(2)

Lead Director

(3)

Not a U.S. based company

(4)

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

Back to Contents

Executive Officers

Name	Age	Position
Ryan M. Lance	50	Chairman of the Board and Chief Executive Officer
Jeffrey W. Sheets	55	Executive Vice President, Finance and Chief Financial Officer
Matthew J. Fox	52	Executive Vice President, Exploration and Production
Alan J. Hirshberg	51	Executive Vice President, Technology and Projects
Donald E. Wallette, Jr.	54	Executive Vice President, Commercial, Business Development and Corporate Planning
Janet L. Kelly	55	Senior Vice President, Legal, General Counsel and Corporate Secretary
Andrew D. Lundquist	52	Senior Vice President, Government Affairs
Ellen DeSanctis	56	Vice President, Investor Relations and Communications
Sheila Feldman	58	Vice President, Human Resources
Glenda M. Schwarz	47	Vice President and Controller

Stock Performance Graph

This graph shows the cumulative total shareholder return for ConocoPhillips' common stock in each of the five years from December 31, 2007 to December 31, 2012. The graph also compares the cumulative total returns for the same five-year period with the S&P 500 Index, the performance peer group used in the prior fiscal year (the "Prior Peer Index") and a new performance peer group for the current fiscal year (the "New Peer Index"). The Prior Peer Index of companies consisted of BP, Chevron, ExxonMobil, Royal Dutch Shell, and Total. The New Peer Index consists of the Prior Peer Index plus Anadarko, Apache, BG Group plc, Devon and Occidental, weighted according to the respective peer's stock market capitalization at the beginning of each annual period. The New Peer Index was selected after the completion of the spinoff of Phillips 66 and better reflects the companies against which we compete as an independent exploration and production company. The Prior Peer Index is presented for purposes of comparison. The comparison assumes $100 was invested on December 31, 2007, in ConocoPhillips stock, the S&P 500 Index, the Prior Peer Index and the New Peer Index and assumes that all dividends were reinvested. The spinoff of Phillips 66 is treated as a special dividend for the purposes of calculating total shareholder return for ConocoPhillips. The market value of the distributed shares on the spinoff date was deemed reinvested in shares of ConocoPhillips common stock.

FIVE-YEAR CUMULATIVE TOTAL SHAREHOLDER RETURN

FIVE YEARS ENDED DECEMBER 31, 2012

			December 31				
	Initial	**2008**	**2009**	**2010**	**2011**	**2012**
ConocoPhillips	$ 100.0	$ 60.2	$ 62.0	$ 86.0	$ 95.5	$ 104.2
Prior Peer Index	$ 100.0	$ 76.5	$ 81.8	$ 85.1	$ 96.4	$ 99.6
New Peer Index	$ 100.0	$ 73.4	$ 83.3	$ 89.7	$ 98.8	$ 94.9

S&P 500	$	100.0	$	63.0	$	79.7	$	91.7	$	93.6	$	108.6

(Prior Peer Index) - BP; Chevron; ExxonMobil; Royal Dutch Shell; Total

(New Peer Index) - BP; Chevron; ExxonMobil; Royal Dutch Shell; Total; Anadarko; Apache; BG Group plc; Devon; Occidental

Back to Contents

Executive Compensation Programs

Our executive compensation programs are designed to align pay with performance and to align the economic interests of executives and stockholders. Consistent with this design, almost 90% of the CEO's pay and over 80% of the Named Executive Officers' ("NEO") pay is performance based, with stock-based long-term incentives being the largest portion of performance-based pay. The elements of total compensation are base pay, annual cash incentives, and long-term incentives. Long-term incentives consist equally of performance share units and stock options. The mix of 2013 target pay for our current Named Executive Officers is shown in the graphs below.

Although we made changes to our programs following the spinoff of Phillips 66, the fundamental design and delivery mechanisms remained unchanged. While the Human Resources and Compensation Committee ("HRCC") was satisfied that the existing programs held executives accountable for their short-, medium- and long-term decisions and provided sufficient and prudent incentives for superior performance, the spinoff had the following impact on our programs:

- We terminated and paid out the ongoing three-year performance share program periods and postponed until May 2012, the start of the performance period that would have begun in January 2012 (more details on page 51).

- Considering the size and complexity of the Company, we adopted a compensation philosophy to set target compensation based on a comparison to the compensation of a group of integrated (ExxonMobil, Shell, Chevron, BP) and independent (Occidental, Anadarko, Apache, Devon) companies.

- While maintaining total shareholder return as a metric in both our annual incentive and three-year performance share programs, we added metrics to those programs to align them with our strategic plan as an independent exploration and production company.

Based on the performance of the Company against the approved metrics, we paid out performance-based programs as follows (see *"Process for Determining Executive Compensation"* on page 45 and *"2012 Executive Compensation and Analysis and Results"* on page 52):

Annual Incentive: 2012 Variable Cash Incentive Program (VCIP)

The VCIP payout is calculated using the following formula, subject to HRCC approval and discretion to set the award:

Corporate Performance – 150% of target for each of our Named Executive Officers

Award Unit Performance – 138.8% of target for each of our Named Executive Officers, other than Messrs. Mulva and Chiang

Individual Performance – adjustments of between 0% and 20% for each of our Named Executive Officers

Long-Term Incentive: Performance Share Program (PSP) – (corporate award by performance period)

In connection with the spinoff of Phillips 66, we concluded two performance periods in progress under our PSP earlier than had been anticipated at the establishment of the regularly scheduled three-year performance periods. We settled a pro rata portion of the PSP awards based on pre-spin performance and established new performance periods that began following the spinoff.

The Committee determined that performance merited the following base awards as a percent of pro rata target awards:

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PSP VIII Results: January 2010 – April 2012

Corporate Performance – 180% of target for each of our Named Executive Officers

Individual Performance – adjustments of between 0% and 20% for each of our Named Executive Officers; the HRCC limited each payout so that no executive received more than 200% of the prorated target award

Back to Contents

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PSP IX Results: January 2011 – April 2012

Corporate Performance – 150% of target for each of our Named Executive Officers

Individual Performance – adjustments of between 0% and 20% for each of our Named Executive Officers

While the normal program timing would have provided for a payout at the end of the 36 month performance period, the truncation of the program resulted in a pro rata portion of PSP IX being paid in 2012. However, the truncation also means that only the balance of the program is anticipated to be paid out in 2014.

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PSP VIII Tail Results: May 2012 – December 2012

Subsequent to the spinoff, the Committee approved a new tail performance period for PSP VIII for our post-spin Named Executive Officers. This new performance period was designed to pay out at target due to its short length. In February 2013, the HRCC approved payout at target.

The Committee approved new performance periods and performance metrics for PSP IX Tail running from May 2012 – December 2013 and for PSP X running from May 2012 – December 2014 (the HRCC delayed the commencement of this performance period until after the spinoff, however, we still consider the program period for PSP X to provide compensation for the period beginning in January 2012).

2012 Executive Compensation Summary (page 58)

Set forth below is the 2012 compensation for our current Named Executive Officers:

me and ncipal ition	**Salary ($)**	**Bonus ($)**	**Stock Awards ($)**	**Option Awards ($)**	**Non-Equity Incentive Plan Compensation ($)**	**Change in Pension Value and Nonqualified Deferred Compensation Earnings ($)**	**All Other Compensation ($)**	**T**
I. Lance	$ 1,258,667	$ -	$ 11,340,952	$ 1,281,873	$ 2,476,200	$ 2,567,068	$ 362,458	$ 19,287.
irman & ef								

cutive cer								
. Sheets cutive e sident, ance and ef ancial cer	705,200	-	2,014,063	1,007,298	951,818	2,218,402	103,143	6,999,
. Fox cutive e sident, loration duction	858,347	1,600,000	10,714,198	797,052	1,225,684	463,211	166,670	15,825,
. shberg cutive e sident, nnology Projects	909,000	-	2,838,884	1,281,873	1,211,964	1,571,923	141,549	7,955,
. llette, Jr. cutive e sident, nmercial, iness elopment Corporate nning	617,150	-	2,725,364	516,201	823,513	1,777,876	776,532	7,236,

The amounts shown in the *Salary* and *Stock Awards* columns reflect increases approved for Messrs. Lance, Fox, Hirshberg and Wallette that are linked to their expanded leadership roles following the spinoff and, along with Mr. Sheets, reflect increases that align their respective positions' base pay and total compensation to the market in accordance with our compensation philosophy. In addition, in connection with Mr. Fox's employment with the Company on January 1, 2012, he received certain inducement and make-up awards that are included in the *Bonus* and *Stock Awards* columns that are more fully described in the notes to the "*Executive Compensation Tables*" that begin on page 58.

Response to the 2012 Say on Pay Vote

At our 2012 Annual Meeting, approximately 80% 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. Throughout the past year, we have engaged in dialogue with our largest stockholders about various corporate governance topics, including executive compensation, and have received strong, positive feedback. The HRCC values these discussions and encourages stockholders to provide feedback about our executive compensation programs as described under *"Communications with the Board of Directors"* on page 18.

Based on the results of the 2012 vote and our ongoing dialogue with stockholders, as well as a consideration of evolving best practices, the HRCC made certain changes to our programs, including the elimination of excise tax gross-ups for future participants in our Change in Control Severance Plan and the adoption of a clawback policy.

Important Dates for 2014 Annual Meeting of Stockholders (page 85)

- Stockholder proposals submitted for inclusion in our 2014 proxy statement pursuant to SEC Rule 14a-8 must be received by November 28, 2013.

- Notice of stockholder proposals to nominate a person for election as a director or to introduce an item of business at the 2014 Annual Meeting of Stockholders outside Rule 14a-8 must be received no earlier than January 14, 2014 and no later than February 13, 2014.

Back to Contents

QUESTIONS AND ANSWERS ABOUT THE ANNUAL MEETING AND VOTING

Who is soliciting my vote?

The Board of Directors of ConocoPhillips is soliciting your vote at the 2013 Annual Meeting of ConocoPhillips' stockholders.

Who is entitled to vote?

You may vote if you were the record owner of ConocoPhillips common stock as of the close of business on March 15, 2013. Each share of common stock is entitled to one vote. As of March 15, 2013, we had 1,222,639,701 shares of common stock outstanding and entitled to vote. There is no cumulative voting.

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

Your shares are counted as present at the Annual Meeting if you attend the meeting and vote in person or if you properly return a proxy by Internet, telephone or mail. In order for us to hold our meeting, holders of a majority of our outstanding shares of common stock as of March 15, 2013, must be present in person or by proxy at the meeting. This is referred to as a quorum. Abstentions and broker non-votes will be counted for purposes of establishing a quorum at the meeting.

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

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

What is a broker non-vote?

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

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

The ratification of Ernst & Young LLP as our independent registered public accounting firm for 2013 is the only routine matter to be presented at the Annual Meeting on which brokers may vote in their discretion on behalf of beneficial owners who have not provided voting instructions.

Back to Contents

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

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

- The election of directors;
- The advisory approval of the compensation of the Company's Named Executive Officers;
- Stockholder proposal relating to report on grassroots lobbying expenditures;
- Stockholder proposal relating to greenhouse gas reduction targets; and
- Stockholder proposal relating to gender identity non-discrimination.

How are abstentions and broker non-votes counted?

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

What are my voting choices for each of the proposals to be voted on at the 2013 Annual Meeting of Stockholders and how does the Board recommend that I vote my shares?

	More Information	Voting Choices and Board Recommendation
PROPOSAL 1 Election of Directors	Page 28	• vote in favor of all nominees; • vote in favor of specific nominees;

			• vote against all nominees; • vote against specific nominees; • abstain from voting with respect to all nominees; or • abstain from voting with respect to specific nominees. **The Board recommends a vote FOR each of the nominees.**
PROPOSAL 2	Ratification of Independent Registered Public Accounting Firm	Page 34	• vote in favor of the ratification; • vote against the ratification; or • abstain from voting on the ratification. **The Board recommends a vote FOR the ratification.**
PROPOSAL 3	Advisory Approval of the Compensation of the Company's Named Executive Officers	Page 38	• vote in favor of the advisory proposal; • vote against the advisory proposal; or • abstain from voting on the advisory proposal. **The Board recommends a vote FOR the advisory approval**

			of executive compensation.
PROPOSAL 4	Stockholder Proposal - Report on Grassroots Lobbying Expenditures*	Page 80	• vote in favor of the proposal; • vote against the proposal; or • abstain from voting on the proposal. **The Board recommends a vote AGAINST the stockholder proposal.**
PROPOSAL 5	Stockholder Proposal - Greenhouse Gas Reduction Targets*	Page 82	• vote in favor of the proposal; • vote against the proposal; or • abstain from voting on the proposal. **The Board recommends a vote AGAINST the stockholder proposal.**
PROPOSAL 6	Stockholder Proposal - Gender Identity Non-Discrimination*	Page 84	• vote in favor of the proposal; • vote against the proposal; or • abstain from voting on the proposal. **The Board recommends a vote AGAINST the stockholder proposal.**

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

Back to Contents

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

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

How do I vote?

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

This proxy statement, the accompanying proxy card and the Company's 2012 Annual Report to Stockholders are being made available to the Company's stockholders on the Internet at *www.proxyvote.com* through the notice and access process.

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

Vote over the Internet 24/7 at *www.proxyvote.com*	**Dial toll-free** 24/7 (800) 579-1639
Vote using your tablet or smartphone	If you elected to receive a hard copy of your proxy materials, **fill out the enclosed proxy card,** date and sign it, and return it in the enclosed postage-paid envelope.

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

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

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

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

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

-

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

•

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

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

How can I revoke my proxy?

You can revoke your proxy by sending written notice of revocation of your proxy to our Corporate Secretary so that it is received prior to the close of business on May 13, 2013.

Back to Contents

Can I change my vote?

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

- Voting again by telephone or over the Internet prior to 11:59 p.m. EDT on May 13, 2013;
- Signing another proxy card with a later date and returning it to us prior to the meeting; or
- Voting again at the meeting.

Who counts the votes?

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

When will the Company announce the voting results?

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

Will my shares be voted if I don’t provide my proxy and don’t attend the Annual Meeting?

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

If you hold your shares in street name, your broker has the authority to vote your shares for certain “routine” matters even if you do not provide the broker with voting instructions. Only the ratification of Ernst & Young LLP as our independent registered public accounting firm for 2013 is considered to be a routine matter.

If you do not give your broker instructions on how to vote your shares, the broker will return the proxy card without voting on proposals not considered “routine.” This is known as a broker non-vote. Without instructions from you, the broker may not vote on any proposals other than the ratification of Ernst & Young LLP as our independent registered public accounting firm for 2013.

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

What if I am a stockholder of record and return my proxy but don't vote for some of the matters listed on my proxy card?

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

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

As a beneficial owner, in order to ensure your shares are voted in the way you would like, you must provide voting instructions to your bank or broker by the deadline provided in the materials you receive from your bank or broker. If you do not provide voting instructions to your bank or broker, whether your shares can be voted by such person depends on the type of item being considered for vote. Brokers may not vote shares held in street name on non-routine matters unless they have received voting instructions from the beneficial owners on how to vote those shares.

Could other matters be decided at the Annual Meeting?

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

Back to Contents

Who can attend the Annual Meeting?

Stockholders of record at the close of business on March 15, 2013 may attend the Annual Meeting. No cameras, recording equipment, laptops, tablets, cellular telephones, smartphones or other similar equipment, electronic devices, large bags, briefcases or packages will be permitted in the Annual Meeting, and security measures will be in effect to provide for the safety of attendees. ***You will need a photo ID to gain admission.***

Do I need a ticket to attend the Annual Meeting?

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

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

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

Pursuant to the Corporate Governance Guidelines, directors are expected to attend the Annual Meeting of Stockholders. All of the persons who were serving as directors at the time attended the 2012 Annual Meeting of Stockholders.

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

This proxy statement, the accompanying proxy card and the Company's 2012 Annual Report are being made available to the Company's stockholders on the Internet at *www.proxyvote.com* through the notice and access process. Most stockholders can elect to view future proxy statements and annual reports over the Internet instead of receiving paper copies in the mail.

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

If you choose to view future proxy statements and annual reports over the Internet, you will receive a Notice of Internet Availability next year in the mail containing the Internet address to use to access our proxy statement and annual report. Your choice will remain in effect unless you change your election following the receipt of a Notice of Internet Availability. You do not have to elect Internet access each year. If you later change your mind and would like to receive paper copies of our proxy statements and annual reports, you can request both by phone at (800) 579-1639, by email at *sendmaterial@proxyvote.com* and through the Internet at *www.proxyvote.com.* You will need your

12-digit control number located on your Notice of Internet Availability to request a package. You will also be provided with the opportunity to receive a copy of the proxy statement and annual report in future mailings.

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

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

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

Back to Contents

Will my vote be kept confidential?

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

What is the cost of this proxy solicitation?

Our Board of Directors has sent you this proxy statement. Our directors, officers and employees may solicit proxies by mail, by email, by telephone or in person. Those persons will receive no additional compensation for any solicitation activities. We will request banking institutions, brokerage firms, custodians, trustees, nominees and fiduciaries to forward solicitation materials to the beneficial owners of common stock held of record by those entities, and we will, upon the request of those record holders, reimburse reasonable forwarding expenses. We will pay the costs of preparing, printing, assembling and mailing the proxy materials used in the solicitation of proxies. In addition, we have hired Alliance Advisors to assist us in soliciting proxies, which it may do by mail, telephone or in person. We anticipate paying Alliance Advisors a fee of $15,000, plus expenses.

CORPORATE GOVERNANCE MATTERS

The Committee on Directors' Affairs and our Board annually review the Company's governance structure to take into account changes in SEC and New York Stock Exchange ("NYSE") rules, as well as current best practices. Our Corporate Governance Guidelines, posted on the Company's Internet site under the "*Governance*" caption and available in print upon request (see "*Available Information*" on page 85), address the following matters, among others:

- director qualifications;
- director responsibilities;
- Board committees;
- director access to officers;
- employees and independent advisors;

- director compensation;
- director orientation and continuing education;
- Chief Executive Officer (“CEO”) evaluation and management succession planning;
- Board performance evaluations;
- stock ownership and holding requirements for directors and management; and
- anti-hedging.

The Corporate Governance Guidelines also 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, 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 directors are directors, retired officers and stockholders of companies with which we conduct business. In addition, some of our directors serve as employees of, or consultants to, companies that do business with ConocoPhillips and its affiliates (as further described in *“Related Party Transactions”* on page 21). In all cases, it was determined that the nature of the business conducted and the interest of the director by virtue of such position were immaterial both to the Company and to such director.

Back to Contents

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 Kelly, as provided below:

- Write to: ConocoPhillips Board of Directors
- c/o Janet Langford Kelly, Corporate Secretary
- ConocoPhillips
- P.O. Box 4783
- Houston, TX 77210-4783

- Call: (281) 293-3030
- Email: *boardcommunication@conocophillips.com*
- Annual Meeting Website: *www.conocophillips.com/annualmeeting*

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 of Stockholders. In 2012, all of the Company's directors attended the Annual Meeting.

BOARD LEADERSHIP STRUCTURE

BOARD OVERVIEW

•

- Chairman of the Board and Chief Executive Officer: Ryan M. Lance
- Lead Director: Richard H. Auchinleck
- Active engagement by all Directors
- 10 of our 11 Directors are independent
- All members of the Audit and Finance Committee, Committee on Directors' Affairs, Human Resources and Compensation Committee 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 that the strong presence of engaged independent directors ensures independent oversight.

Back to Contents

Chairman and CEO Roles

ConocoPhillips is focused on the Company's corporate governance practices and values, believing that independent board oversight is an essential component of strong corporate performance and enhances stockholder value. While the Board retains the authority to separate the positions of Chairman and CEO if it deems appropriate in the future, the Board currently believes it is in the best interests of the Company's stockholders to combine them. 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 consequence, the Board periodically considers whether the offices of Chairman and CEO should be combined and who should serve in such capacities. The Board specifically considered whether the offices of Chairman and CEO should be combined following the repositioning and concluded that doing so continues to be in the best interests of the Company and its stockholders. The Board will continue to reexamine its corporate governance policies and leadership structures on an ongoing basis to ensure that they continue to meet the Company's needs.

Independent Director Leadership

The Board believes that its current structure and processes encourage its independent directors to be actively involved in guiding the work of the Board. The Chairs of the Board's committees establish their agendas and review their committee materials in advance, 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 at Board and committee meetings that are not on the agenda.

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. 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 management directors and other members of senior management, and (3) such other matters as the non-employee directors deem appropriate. No formal action of the Board is taken at these meetings, although the non-employee 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, participates in the discussion of CEO performance with the Human Resources and Compensation Committee, and ensures that the Board's self-assessments are done annually.

Each year, the Board completes a self-evaluation and Mr. Auchinleck discusses the results of the self-evaluation with the full Board and, individually, with each director. This allows for direct feedback by independent directors and enables Mr. Auchinleck to speak on their behalf in conversations with management about the Board's role and informational needs. Mr. Auchinleck is also available to meet during the year with individual directors about any other areas of interest or concern they may have.

Back to Contents

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 delegated authority to the Audit and Finance Committee to facilitate coordination among the Board's committees with respect to oversight of the Company's risk management programs. As part of this authority, the Audit and Finance Committee regularly discusses the Company's risk assessment and risk management policies to ensure that our risk management programs are functioning properly. Additionally, the Chairman of the Audit and Finance Committee meets with the Chairs of the other Board committees and management each year to discuss the Board's oversight of the Company's risk management programs. The Board receives regular updates from its committees on individual categories of risk, including strategy, reputation, operations, people, technology, investment, political/legislative/regulatory and market. Such updates incorporate, among other things, the following risk areas:

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

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, as well as perspective on potential candidates from outside the Company. 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.

Back to Contents

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 and employee complaint procedures. In accordance with good corporate governance practices, we periodically review and revise as necessary the Code of Business Ethics and Conduct. Effective April 1, 2013, our Code of Business Ethics and Conduct will be updated to reflect additional topics such as expectations for supervisors, investigating concerns, social media and money laundering. Our Code of Business Ethics and Conduct is posted on our Internet site under the "*Governance*" caption. Stockholders may also request printed copies of our Code of Business Ethics and Conduct by following the instructions located under *"Available Information"* on page 85.

RELATED PARTY TRANSACTIONS

Our Code of Business Ethics and Conduct requires that all directors and executive officers promptly bring to the attention of the General Counsel and, in the case of directors, the Chairman of the Committee on Directors' Affairs or, in the case of executive officers, the Chairman of the Audit and Finance Committee, any transaction or relationship that arises and of which he or she becomes aware that reasonably could be expected to constitute a related party transaction. Any such transaction or relationship is reviewed by the Company's management and the appropriate Board committee to ensure that it does not constitute a conflict of interest and is reported appropriately. Additionally, the Committee on Directors' Affairs conducts an annual review of related party transactions between each of our directors and the Company (and its subsidiaries) and makes recommendations to the Board regarding the continued independence of each Board member. In 2012, 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. The Committee on Directors' Affairs also considered relationships which, while not constituting related party transactions where 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 its review were ordinary course of business transactions with companies employing a director, including ordinary course of business transactions with Lowe's Companies, Inc., of which Mr. Niblock serves as Chairman of the Board, President and Chief Executive Officer. The Committee on Directors' Affairs determined that there were no transactions impairing the independence of any director.

BOARD MEETINGS AND COMMITTEES

The Board of Directors met eight times in 2012. 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. The charters for our Audit and Finance Committee, Executive Committee, Human Resources and Compensation Committee, Committee on Directors' Affairs and Public Policy Committee can be found on ConocoPhillips' website at *www.conocophillips.com* under the *"Governance"* caption. Stockholders may also request printed copies of our Board committee charters by following the instructions located under "*Available Information"* on page 85.

Back to Contents

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

Committee	Members	Primary Responsibilities	Number of Meetings in 2012
Audit and Finance	James E. Copeland, Jr.* Gay Huey Evans Mohd H. Marican Robert A. Niblock	• 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, complex financial transactions, financial risk management, retirement plans and tax planning. • 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 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 and independent auditors.	13
Executive	Ryan M. Lance* Richard H. Auchinleck James E. Copeland, Jr. Harald J. Norvik William E. Wade, Jr.	• 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.	—

Human Resources and Compensation	William E. Wade, Jr.* Richard H. Auchinleck Harald J. Norvik	• Oversees our executive compensation policies, plans, programs and practices. • 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.	9
Directors' Affairs	Richard H. Auchinleck* Richard L. Armitage William K. Reilly(1) William E. Wade, Jr.	• Selects and recommends director candidates to the Board to be submitted for election at the Annual Meeting and to fill any vacancies on the Board. • Recommends committee assignments to the Board. • Reviews and recommends to the Board compensation and benefits policies for our non-employee directors. • Reviews and recommends to the Board appropriate corporate governance policies and procedures for our Company. • Monitors the orientation and continuing education programs for directors. • Conducts an annual assessment of the qualifications and performance of the Board. • Reviews and reports to the Board annually on succession planning for the CEO and senior management.	6
Public Policy	Harald J. Norvik* Richard L. Armitage	• Advises the Board on current and emerging domestic and international public policy issues.	6

Jody L. Freeman	•
William K. Reilly[1]	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.

*

Committee Chairperson

(1)

Mr. Reilly is scheduled to retire on May 14, 2013.

NOMINATING PROCESSES OF THE COMMITTEE ON DIRECTORS' AFFAIRS

The Committee on Directors' Affairs comprises four 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. Our By-Laws permit stockholders to nominate director candidates for election at a stockholder meeting whether or not such nominee is submitted to and evaluated by the Committee on Directors' Affairs. Stockholders who wish to submit nominees for election at an annual or special meeting of stockholders should follow the procedures described on page 85. The Committee on Directors' Affairs will consider director candidates recommended by stockholders. If a stockholder wishes to recommend a candidate for nomination by the Committee on Directors' Affairs, he or she should follow the same procedures set forth above 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.

Back to Contents

NON-EMPLOYEE DIRECTOR COMPENSATION

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

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 below.

Equity Compensation

Each non-employee director receives an annual grant of restricted stock units with an aggregate value of $170,000 on the date of grant. 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 stated period of time. 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.

ConocoPhillips grants issued prior to 2005 had restrictions that lapsed after three years from the date of grant or in the earlier event of retirement, disability, death, or a change of control. Settlement for grants before 2005 could be delayed at the election of the director and settled in either cash or stock, also at the election of the director. For grants that remained unvested at the beginning of 2005, directors were allowed to make an election prior to March 15, 2005, to set the time of settlement and whether settlement was to be in a lump sum or over a period of years. Restricted stock units granted to directors who are not from 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.

Cash Compensation

Each non-employee director receives $115,000 annual cash compensation. Non-employee directors serving in certain specified committee positions also receive the following additional cash compensation:

- Lead Director—$50,000
-

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

•

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

•

Chair of the other committees—$10,000

•

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

•

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

As part of its review in 2012, the Committee on Directors' Affairs considered, among other factors, market competitiveness of directors' compensation in connection with the spinoff of our downstream business into an independent company (Phillips 66), based on studies prepared by Towers Watson, an outside consultant retained by the Company. As a result of such review, effective April 2012, and reflected above, the Board of Directors approved an additional $25,000 for the Lead Director, an additional $5,000 for the Chair of the Audit and Finance Committee and Chair of the Human Resources and Compensation Committee, and an additional $2,500 for each other member of the Audit and Finance Committee and Human Resources and Compensation Committee. The Committee on Directors' Affairs assessed the engagement with Towers Watson using the guidelines provided in SEC rules and concluded that the work of the consultant did not raise any conflict of interest.

The total annual cash compensation is payable in monthly installments. Directors may elect, on an annual basis, to receive all or part of their cash compensation in unrestricted stock or in restricted stock units (such unrestricted stock or restricted stock units are issued on the last business day of the month valued using the average of the high and the low market prices of ConocoPhillips common stock on such date), or to have the amount credited to the director's deferred compensation account. The restricted stock units issued in lieu of cash compensation are subject to the same restrictions as the annual restricted stock units granted since 2005 and described above under "*Equity Compensation*." Due to differences in the tax laws of other countries, the Board, at its July 1, 2003 meeting, approved modification of the compensation for directors who are taxed under the laws of other countries. Effective in 2004, Canadian directors (currently, Mr. Auchinleck) were able to elect to receive cash compensation either in cash or in restricted stock units, redeemable only upon retirement, death, or loss of office. Effective in 2007, Norwegian directors (currently, Mr. Norvik) receive compensation that would otherwise have been received as cash only as restricted stock units.

Back to Contents

Deferral of Compensation

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

Compensation deferred prior to January 1, 2003, by former directors of Conoco Inc. and Phillips Petroleum Company continues to be deferred and is deemed to be invested in various mutual funds as selected by the director. The deferred amounts may be paid as a lump sum or as installment payments following retirement from the Board.

The future payment of any compensation deferred by non-employee directors of ConocoPhillips after January 1, 2003, and by former directors of Phillips Petroleum Company prior to January 1, 2003, may be funded in a grantor trust designed for this purpose. The future payment of any cash compensation deferred by former directors of Conoco Inc. prior to January 1, 2003, is not funded.

Directors' Matching Gift Program

All active and retired directors are eligible to participate in the Directors' Annual Matching Gift Program. This program provides a dollar-for-dollar match of a gift of cash or securities, up to a maximum of $15,000 per donor for active directors and $7,500 per donor for retired directors during any one calendar year, to charities and educational institutions, excluding religious, political, fraternal, or athletic organizations, that are tax-exempt under Section 501(c)(3) of the Internal Revenue Code of the United States or meet similar requirements under the applicable law of other countries.

Other Compensation

Spouses and significant others of directors and executive officers attend certain meetings at the encouragement of the Board. The cost of such attendance is treated by the Internal Revenue Service as income, and as such is taxable to the recipient. The Board believes that such costs are expenses of creating a collegial environment that enhances the effectiveness of the Board, and therefore the Company reimburses directors for the out of pocket cost of the travel and the resulting income taxes. Amounts representing this reimbursement are contained in the *All Other Compensation* column.

Stock Ownership

Directors are expected to own as much Company stock as the amounts of the 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.

Back to Contents

Non-Employee Director Compensation Table

Name	Fees Earned or Paid in Cash ($)[1]	Stock Awards ($)[2][3]	Option Awards ($)	Non-Equity Incentive Plan Compensation ($)	Change in Pension Value and Nonqualified Deferred Compensation Earnings ($)	All Other Compensation ($)[4]	Total ($)
R.L. Armitage	$ 115,000	$ 170,044	$ -	$ -	$ -	$ 2,500	$ 287,544
R.H. Auchinleck	174,081	170,044	-	-	-	7,315	351,440
J.E. Copeland, Jr.	138,750	170,044	-	-	-	26,196	334,990
K.M. Duberstein (retired)[5]	38,333	170,044	-	-	-	19,683	228,060
J.L. Freeman[6]	57,500	-	-	-	-	-	57,500
R.R. Harkin (retired)[5]	41,667	170,044	-	-	-	18,126	229,837
M.H. Marican	124,375	170,044	-	-	-	61,077	355,496
H.W. McGraw III (retired)[5]	40,420	170,044	-	-	-	-	210,464
R. A. Niblock	124,632	170,044	-	-	-	15,000	309,676
H.J. Norvik	129,669	170,044	-	-	-	39,202	338,915
W.K. Reilly	115,000	170,044	-	-	-	41,998	327,042
V.J. Tschinkel (retired)[5]	41,042	170,044	-	-	-	17,214	228,300
K.C. Turner (retired)[5]	40,208	170,044	-	-	-	20,557	230,809
W.E. Wade,	134,161	170,044	-	-	-	10,000	314,205

Jr.

(1)

Reflects 2012 annual cash compensation of $115,000 payable to each non-employee director. In 2012, non-employee directors serving in specified committee positions also received the following additional cash compensation:

Lead Director—$25,000; effective April 2012, this amount was increased to $50,000

Chair of the Audit and Finance Committee—$20,000; effective April 2012, this amount was increased to $25,000

Chair of the Human Resources and Compensation Committee—$15,000; effective April 2012, this amount was increased to $20,000

Chair of any other committee—$10,000

Each other Audit and Finance Committee member—$7,500; effective April 2012, this amount was increased to $10,000

Each other Human Resources and Compensation Committee member—$5,000; effective April 2012, this amount was increased to $7,500

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, McGraw, Niblock and Norvik received 100% of their cash compensation in restricted stock units in 2012 with an aggregate grant date fair value as shown in the table. Mr. Wade elected to receive 25% of his cash compensation in restricted stock units that had an aggregate grant date fair value of $33,849 with the remainder of his cash compensation deferred into the Director Deferral Plan. All other directors received their cash compensation in cash or deferred into the Director Deferral Plan.

(2)

Amounts represent the aggregate grant date fair value of stock awards. Under our Non-Employee Director compensation program, each non-employee director received a 2012 annual grant of restricted stock units with an aggregate value of $170,000 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 such date, or if such date is a non-trading date, the last preceding trading date. These grants are made in whole shares with fractional share amounts rounded up, resulting in a grant of shares with a value of $170,044 on January 15, 2012 to each person who was a director on that date.

(3)

The following table reflects, for each director, the aggregate number of stock awards outstanding as of December 31, 2012:

		Stock Awards
Name	**Security**	**Number of Shares or Units of Stock That Have Not Vested (#)**

R.L. Armitage	COP	15,321
	PSX	7,462
R.H. Auchinleck	COP	68,076
	PSX	32,082
J.E. Copeland, Jr.	COP	32,066
	PSX	15,616
K.M. Duberstein	COP	15,949
	PSX	7,749
J.L. Freeman	COP	-
R.R. Harkin	COP	-
	PSX	-
M.H. Marican	COP	2,522
	PSX	1,228
H.W. McGraw III	COP	30,077
	PSX	17,630
R. A. Niblock	COP	7,352
	PSX	2,846
H.J. Norvik	COP	29,801
	PSX	13,734
W.K. Reilly	COP	53,411
	PSX	26,011
V.J. Tschinkel	COP	12,562
	PSX	6,118
K.C. Turner	COP	22,309
	PSX	10,844
W.E. Wade, Jr.	COP	20,882
	PSX	9,970

Back to Contents

The following table lists vesting of director stock awards in 2012:

		Stock Awards	
		Number of Shares Acquired on Vesting	Value Realized Upon Vesting
Name	Security	(#)	($)
R.L. Armitage	COP	-	$ -
	PSX	-	-
R.H. Auchinleck	COP	-	-
	PSX	-	-
J.E. Copeland, Jr.	COP	-	-
	PSX	-	-
K.M. Duberstein[(a)]	COP	37,257	2,168,367
	PSX	18,163	854,382
J.L. Freeman	COP	-	-
R.R. Harkin[(b)]	COP	36,542	2,126,674
	PSX	17,796	837,198
M.H. Marican	COP	-	-
	PSX	-	-
H.W. McGraw III	COP	-	-
	PSX	-	-
R.A. Niblock	COP	-	-
	PSX	-	-
H.J. Norvik	COP	-	-
	PSX	-	-
W.K. Reilly	COP	-	-
	PSX	-	-
V.J. Tschinkel[(c)]	COP	38,705	2,255,733
	PSX	16,496	549,968
K.C. Turner[(d)]	COP	33,375	1,896,184
	PSX	16,561	627,922
W.E. Wade, Jr.	COP	-	-
	PSX	-	-

(a)

Mr. Duberstein received restricted stock and restricted stock unit awards for his service as a Director of ConocoPhillips from 2002 — 2012. These awards were converted on a 1:2 basis following the completion of the repositioning. As permitted by the terms and conditions of the awards, Mr. Duberstein elected to receive certain awards in the form of unrestricted shares six months after separation from service and other awards in annual installments. Mr. Duberstein retired from the Board on May 1, 2012. The total unrestricted shares acquired upon vesting of these awards were 37,257 shares of ConocoPhillips common stock and 18,163 shares of Phillips 66 common stock, valued at $2,168,367 and $854,382, respectively. Although taxes are not collected by the Company on behalf of the non-employee director, the value of lapsed shares are reported on a Form 1099 for the year in which the taxable event occurs.

(b)

Ms. Harkin received restricted stock unit awards for her service as a Director of ConocoPhillips from 2002—2012. These awards were converted on a 1:2 basis following the completion of the repositioning. As permitted by the terms and conditions of the awards, Ms. Harkin elected to receive unrestricted shares six months after separation from service. Ms. Harkin retired from the Board on May 1, 2012. The total unrestricted shares acquired upon vesting of these awards were 36,542 shares of ConocoPhillips common stock and 17,796 shares of Phillips 66 common stock valued at $2,126,674 and $837,198, respectively. Although taxes are not collected by the Company on behalf of the non-employee director, the value of lapsed shares are reported on a Form 1099 for the year in which the taxable event occurs.

(c)

Ms. Tschinkel received restricted stock unit awards for her service as a Director of ConocoPhillips in 2004 totaling 3,468 units and in 2007 totaling 2,245 units. As permitted by the terms and conditions of the awards, Ms. Tschinkel elected to receive unrestricted shares eight years after grant date with regard to her 2004 service and five years after grant date with regard to her 2007 service. She received a total of 5,713 unrestricted shares of ConocoPhillips common stock upon vesting of these awards prior to the repositioning, valued at $404,910. In addition, Ms. Tschinkel retired from the Board on May 1, 2012. As permitted by the terms and conditions of her restricted stock unit awards for her service as a Director of ConocoPhillips prior to 2003, Ms. Tschinkel elected to receive unrestricted shares on her retirement date. She received a total of 32,992 unrestricted shares of ConocoPhillips common stock and 16,496 shares of Phillips 66 common stock valued at $1,850,823 and $549,968, respectively, upon vesting of these awards after conversion on a 1:2 basis following the completion of the repositioning. Although taxes are not collected by the Company on behalf of the non-employee director, the value of lapsed shares are reported on a Form 1099 for the year in which the taxable event occurs.

(d)

Ms. Turner received restricted stock and restricted stock unit awards for her service as a Director of ConocoPhillips from 2002—2012. These awards were converted on a 1:2 basis following the completion of the repositioning. As permitted by the terms and conditions of her restricted stock unit awards for her service as a Director of ConocoPhillips prior to 2003, Ms. Turner elected to receive unrestricted shares on her retirement date. Ms. Turner retired from the Board on May 1, 2012. The total unrestricted shares acquired upon vesting of these awards were 22,053 shares of ConocoPhillips common stock and 11,026 shares of Phillips 66 common stock valued at $1,237,154 and $367,618, respectively. As permitted by the terms and conditions of certain awards after 2002, Ms. Turner elected to receive certain awards in unrestricted shares six months after separation from service and in annual installments for other awards. The total unrestricted shares acquired upon vesting of these awards were 11,322 shares of ConocoPhillips common stock and 5,535 shares of Phillips 66 common stock, valued at $659,030 and $260,304, respectively. Although taxes are not collected by the Company on behalf of the non-employee director, the value of lapsed shares are reported on a Form 1099 for the year in which the taxable event occurs.

Back to Contents

(4)

The following table reflects, for each director, the items contained in All Other Compensation:

Name	Tax Reimbursement Gross-Up[(a)] ($)	Meeting Travel Reimbursements & Meeting Perquisites[(b)] ($)	Matching Gift Amounts[(c)] ($)	Total ($)
R.L. Armitage	$ -	$ -	$ 2,500	$ 2,500
R.H. Auchinleck	7,315	-	-	7,315
J.E. Copeland, Jr.	4,696	-	21,500	26,196
K.M. Duberstein	4,683	-	15,000	19,683
J.L. Freeman	-	-	-	-
R.R. Harkin	3,126	-	15,000	18,126
M.H. Marican	18,450	42,627	-	61,077
H.W. McGraw III	-	-	-	-
R.A. Niblock	-	-	15,000	15,000
H.J. Norvik	18,926	20,276	-	39,202
W.K. Reilly	12,248	-	29,750	41,998
V.J. Tschinkel	3,194	-	14,020	17,214
K.C. Turner	5,557	-	15,000	20,557
W.E. Wade, Jr.	-	-	10,000	10,000

(a)

The amounts shown are for payments by the Company relating to certain taxes incurred by the director. These primarily occur when the Company requests spouses or other guests to accompany the director to Company functions, including Board and committee meetings, and as a result, the director is deemed to make a personal use of Company assets (for example, when a spouse accompanies a director on a Company aircraft or when a spouse accompanies a director and the commercial air travel cost is paid or reimbursed by the Company) or when a retirement presentation is made to a retiring director. In such circumstances, if the director is imputed income in accordance with the applicable tax laws, the Company will generally reimburse the director for the increased tax costs. All such tax reimbursements have been included above, regardless of whether the corresponding perquisite or personal benefit is required to be reported pursuant to SEC rules and regulations.

(b)

The amounts shown for Messrs. Marican and Norvik are primarily for payments by the Company relating to travel costs when the Company requests spouses or other guests to accompany the director to Company functions, including Board and Committee meetings, and as a result, the director is deemed to make a personal use of Company assets. Amounts included for these travel costs were $19,909 for Mr. Norvik and $41,684 for Mr.

Marican. The amounts shown reflect the invoiced cost to the Company.

(c)

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 $15,000 with regard to each program year. Administration of the program can cause more than $15,000 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 2012. Each of Messrs. Lance and Mulva is eligible for the program as an executive of the Company, rather than as a director. Information on the value of matching gifts for Messrs. Lance and Mulva are shown on the Summary Compensation Table on page 58 and the notes to that table.

(5)

Messrs. Duberstein and McGraw, and Mmes. Harkin, Tschinkel and Turner retired from the ConocoPhillips Board of Directors effective May 1, 2012 upon completion of the repositioning. Mr. McGraw and Ms. Tschinkel joined the Board of Directors of Phillips 66. Only their service to the ConocoPhillips Board is reflected in the tables.

(6)

Ms. Freeman was elected to the Board in July 2012. The amounts in the tables above include her prorated compensation reflecting the portion of 2012 in which she served as a Director. She received cash compensation beginning July 2012. She received no equity compensation for 2012, as she did not join the Board until after the grant date for equity compensation in January 2012.

Back to Contents

ELECTION OF DIRECTORS AND DIRECTOR BIOGRAPHIES

What am I voting on?

You are voting on a proposal to elect nominees 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. Reilly's scheduled retirement at the 2013 Annual Meeting of Stockholders, the end of his current term. Directors are elected at the Annual Meeting of Stockholders every year. Any director vacancies created between annual stockholder meetings (such as by a current director's death, resignation or removal for cause or an increase in the number of directors) may be filled by a majority vote of the remaining directors then in office. Any director appointed in this manner would hold office until the next election. If a vacancy results from an action of our stockholders, only our stockholders would be entitled to elect a successor. Under the Company's Corporate Governance Guidelines, each director is required to retire at the next annual stockholders' meeting of the Company following his or her 72nd birthday.

What if a nominee is unable or unwilling to serve?

This is not expected to occur, as all director nominees have previously consented to serve. If it does and the Board does not elect to reduce the size of the Board, shares represented by proxies will 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 23.

Back to Contents

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

In selecting the 2013 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 the Company's stockholders. 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 below 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 perspective 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.

- *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.

- *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. With the energy industry so heavily regulated and directly affected by governmental actions and decisions, the Company recognizes that directors with government experience offer valuable insight in this regard.

	Armitage	Auchinleck	Copeland	Freeman	Huey Evans	Lance	Marican	Niblock	Norvik	Wade
CEO/Senior Officer Experience		√	√			√	√	√	√	√
Financial Reporting Experience			√		√		√	√		
Industry Experience		√		√		√	√		√	√
Global Experience	√	√	√		√	√	√		√	√
Environmental/Regulatory Experience	√			√	√				√	

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.

Back to Contents

Who are this year's nominees?

The following directors are standing for annual election this year to hold office until the 2014 Annual Meeting of Stockholders. Included below is a listing of each nominee's name, age, tenure and qualifications.

Richard L. Armitage

Age: 67

Director since: March 2006

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

Other current directorships: ManTech International Corporation; Transcu, Ltd.[1][2]

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 1983 to 1989. He serves on the boards of ManTech International Corporation and 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 qualify 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.

Richard H. Auchinleck, Lead Director

Age: 61

Director since: August 2002

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

Other current directorships: Enbridge Commercial Trust[1]; 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 on the boards of Enbridge Income Fund Holdings Inc. and Telus Corporation and previously served on the board of Red Mile Entertainment Inc. from 2005 to 2008.

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.

James E. Copeland, Jr.

Age: 68

Director since: February 2004

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

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

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

Skills and Qualifications:

As the former CEO of one of the "Big Four" accounting firms, Mr. Copeland provides a wealth of financial and accounting expertise. In addition, Mr. Copeland's experience as a CEO at a large global corporation allows him to provide valuable insights on managing a global business. The Board believes his experience and expertise in these matters make him well qualified to serve as a member of the Board.

Jody L. Freeman

Age: 49

Director since: July 2012

ConocoPhillips Committees: 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. Before joining the Harvard faculty in 2005, Ms. Freeman was a professor of Law at UCLA Law School from 1995 to 2005. Ms. Freeman formerly served as an independent consultant to the National Commission on the Deepwater Horizon Oil Spill and Offshore Drilling in 2010 and as a counselor for energy and climate change in the White House from 2009 to 2010. Ms. Freeman is a member of the Administrative Conference of the United States and the American College of Environmental Lawyers.

Skills and Qualifications:

Ms. Freeman's expertise in environmental law and policy, and her unique experiences in shaping federal environmental 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.

(1) Not a U.S. based company.

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

Back to Contents

Gay Huey Evans

Age: 58

Director since: March 2013

ConocoPhillips Committees: Audit and Finance Committee

Other current directorships: Aviva plc.(1)(2); The London Stock Exchange Group plc.(1)(2); Itau BBA International Limited(1)(2); Clariden Leu (Europe) Ltd.(1) (2); The Financial Reporting Council(1)(2)

Ms. Huey Evans 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 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. She currently serves as a non-executive director of Aviva plc., The London Stock Exchange Group plc., Itau BBA International Limited, Clariden Leu (Europe) Ltd. and The Financial Reporting Council.

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.

Ryan M. Lance

Age: 50

Director since: April 2012

ConocoPhillips Committees: Executive Committee (Chair)

Mr. Lance was appointed Chairman and Chief Executive Officer in April 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 commencing in February 2007, and prior to that served as Senior Vice President, Technology and Major Projects commencing in 2006. He served as President, Downstream Strategy, Integration and Specialty Businesses from 2005 to 2006.

Skills and Qualifications:

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

Mohd H. Marican

Age: 60

Director since: December 2011

ConocoPhillips Committees: Audit and Finance Committee

Other current directorships: Sembcorp Industries Limited(1)(2); Sembcorp Marine Limited(1)(2); Singapore Power Limited(1)(2); Sarawak Energy Berhad(1)(2); Lambert Energy Advisory Limited(1)(2)

Tan Sri Marican was the former President and Chief Executive Officer of the Malaysian national oil company, PETRONAS, from 1995 to 2010. He served as Senior Vice President of finance for PETRONAS from 1989 to 1995 and a partner in the accounting firm of Hanafiah Raslan and Mohamed (Touche Ross & Co) from 1981 to 1989. He currently serves as a director of Sembcorp Industries, Sembcorp Marine, Lambert Energy Advisory, Singapore Power, Sarawak Energy Berhad and MH Marican Advisory.

Skills and Qualifications:

Tan Sri Marican's extensive experience in the industry and as a CEO of an international energy company headquartered in the Asia Pacific region provides him with valuable insights into the Company's businesses. The Board believes his experience and expertise in these matters make him well qualified to serve as a member of the Board.

Robert A. Niblock

Age: 50

Director since: February 2010

ConocoPhillips Committees: Audit and Finance 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 is a member of the board of directors of the Retail Industry Leaders Association, and served as its chairman in 2008 and 2009. He has been a member of the Association since 2003 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 valued his experience as a CEO and in financial reporting matters. Mr. Niblock's experience as an actively-serving CEO of a large public company allows him to provide the Board with valuable operational and financial expertise. The Board believes his experience and expertise in these matters make him well qualified to serve as a member of the Board.

(1) Not a U.S. based company.

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

Back to Contents

Harald J. Norvik

Age: 66

Director since: July 2005

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

Other current directorships: Petroleum Geo-Services ASA[1]; Aschehoug ASA[1][2]

Mr. Norvik currently serves as Chairman of Aschehoug ASA and as Vice Chairperson of Petroleum Geo-Services ASA. He is also on the board of Deep Ocean Group and Umoe ASA. He was Chairman and a partner at Econ Management AS from 2002 to 2008 and was a strategic advisor there from 2008 to 2010. He served as Chairman of the Board of Telenor ASA from 2007 to 2012, and as Chairman, President & CEO of Statoil from 1988 to 1999.

Skills and Qualifications:

As a former CEO of an international energy corporation, Mr. Norvik brings valuable experience and expertise in industry and operational matters. In addition, Mr. Norvik provides valuable international perspective as a 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.

William E. Wade, Jr

Age: 70

Director since: March 2006

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

Mr. Wade served as a director of Burlington Resources Inc. from 2001 through the time of its acquisition by ConocoPhillips in 2006. Mr. Wade served as President of Atlantic Richfield Company from 1998 to 1999 and Executive Vice President of Atlantic Richfield Company from 1993 to 1998. Prior to this, he served in a series of management positions with Atlantic Richfield Company beginning in 1968.

Skills and Qualifications:

Mr. Wade's extensive experience in senior management within the industry and in areas of significant Company operations makes him well qualified to serve as a member of the Board. Mr. Wade's prior service as a director of Burlington Resources Inc. also provides him with valuable insights in the assets acquired as part of the acquisition of that company. 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.

What vote is required to approve this proposal?

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

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

Our By-Laws require directors to be elected by the majority of the votes cast with respect to such director (i.e., the number of votes cast "for" a director must exceed the number of votes cast "against" that director). If a nominee who is serving as a director is not elected at the Annual Meeting and no one else is elected in place of that director, then, under Delaware law, the director would continue to serve on the Board as a "holdover director." However, under our By-Laws, the holdover director is required to tender his or her resignation to the Board. The Committee on Directors' Affairs then would consider the resignation and recommend to the Board whether to accept or reject the tendered resignation, or whether some other action should be taken. The Board of Directors would then make a decision whether to accept the resignation taking into account the recommendation of the Committee on Directors' Affairs. The director who tenders his or her resignation will not participate in the Board's decision. The Board is required to disclose publicly (by a press release, a 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 THAT YOU VOTE "FOR" EACH NOMINEE STANDING FOR ELECTION AS DIRECTOR.

Back to Contents

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 comprises four non-employee directors. The Board has determined that the members of the Audit Committee satisfy the requirements of the NYSE as to independence, financial literacy and expertise. The Board has determined that at least one member, James E. Copeland, Jr., is an audit committee financial expert as defined by the SEC. The responsibilities of the Audit Committee are set forth in the written charter adopted by ConocoPhillips' Board of Directors and last amended on December 2, 2009, and which is available on our website *www.conocophillips.com* under the caption "*Governance*." 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 2012.

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, 2012, and management's assessment of the effectiveness of the Company's internal control over financial reporting, as of December 31, 2012, included therein.

Discussions with Independent Registered Public Accounting Firm. The Audit Committee has discussed with Ernst & Young LLP, independent registered public accounting firm for ConocoPhillips, the matters required to be discussed by standards of the Public Company Accounting Oversight Board. The Audit Committee has received the written disclosures and the letter from Ernst & Young LLP required by applicable requirements of the Public Company Accounting Oversight Board, and has discussed with that firm its independence from ConocoPhillips.

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, 2012.

THE CONOCOPHILLIPS AUDIT AND FINANCE COMMITTEE

James E. Copeland, Jr, *Chairman*

Gay Huey Evans

Mohd H. Marican

Robert A. Niblock

Back to Contents

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 2013. The Audit and Finance Committee has appointed Ernst & Young to serve as the Company's independent registered public accounting firm.

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

The Audit and Finance Committee is directly responsible for the appointment, compensation, retention and oversight of the independent registered public accounting firm retained to audit the Company's financial statements. The Audit and Finance Committee has appointed Ernst & Young to serve as the Company's independent registered public accounting firm for fiscal year 2013.

The Audit and Finance Committee has the authority to determine whether to retain or terminate the independent auditor. Neither the lead audit partner nor the reviewing audit partner perform audit services for the Company for more than five consecutive fiscal years. The Audit and Finance Committee reviews the experience and qualifications of the senior members of the independent auditor's team and is directly involved in the appointment of the lead audit partner. The Audit and Finance Committee is also responsible for determination and approval of the audit engagement fees and other compensation associated with the retention of the independent auditor.

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

What services does the independent registered public accounting firm provide?

Audit services of Ernst & Young for fiscal year 2012 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 2012 financial statements, we entered into an engagement agreement with Ernst & Young that sets forth the terms by which Ernst & Young will perform audit services for us. That agreement is subject to alternative dispute resolution procedures.

Back to Contents

How much was the independent registered public accounting firm paid for 2012 and 2011?

Ernst & Young's fees for professional services totaled $18.1 million for 2012 and $23.1 million for 2011. 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 $14.4 million for 2012 and $16.8 million for 2011.

- *Audit-Related Fees*—fees for audit-related services, which consisted of audits in connection with proposed or consummated dispositions, benefit plan audits, other subsidiary audits, special reports, and related accounting consultations, were $3.3 million for 2012 and $5.0 million for 2011.

- *Tax Fees*—fees for tax services, which consisted of tax compliance services and tax planning and advisory services, were $0.5 million for 2012 and $1.3 million for 2011.

- *All Other Fees*—fees for other services were negligible in 2012 and 2011.

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

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

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

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

What vote is required to approve this proposal?

Approval of this proposal requires the affirmative vote of a majority of the shares present in person or represented by proxy at the meeting and entitled to vote on the proposal. If the appointment of Ernst & Young is not ratified, the

Audit and Finance Committee will reconsider the appointment.

What does the Board recommend?

THE AUDIT AND FINANCE COMMITTEE RECOMMENDS THAT YOU VOTE "FOR" THE RATIFICATION OF THE APPOINTMENT OF ERNST & YOUNG LLP AS THE COMPANY'S INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR THE YEAR 2013.

Back to Contents

ROLE OF THE HUMAN RESOURCES AND COMPENSATION COMMITTEE

Authority and Responsibilities

The Human Resources and Compensation Committee (the "HRCC" or "Committee") is responsible for providing independent, objective oversight for ConocoPhillips' executive compensation programs and determining the compensation of anyone who meets our definition of a "Senior Officer." Currently, our internal guidelines define a Senior Officer as an employee who is a senior vice president or higher, an executive who reports directly to the CEO, or any other employee considered an officer under Section 16(b) of the Securities Exchange Act of 1934. As of December 31, 2012, the Company had 16 Senior Officers. All of the officers shown in the compensation tables that follow are Senior Officers. In addition, the HRCC acts as plan 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 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 39 of this proxy statement, which summarizes certain of the HRCC's activities during 2012 and 2013 concerning compensation earned during 2012 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 May 9, 2012, which is available on our website *www.conocophillips.com* under the caption "*Governance*." Although the Committee's charter permits it to delegate authority to subcommittees or other Board committees, the Committee made no such delegations in 2012.

Members

The HRCC currently consists of three members. 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. 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.

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. 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. In 2012, the HRCC had six regularly scheduled meetings and three meetings via teleconference. More information regarding the HRCC's activities at such meetings can be found in the *"Compensation Discussion and Analysis"* beginning on page 39.

Continuous Improvement

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

- Receives ongoing training regarding best practices for executive compensation;

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

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

- Annually conducts a self-assessment of its performance that evaluates the effectiveness of its actions and seeks ideas to improve its processes and oversight; and

- Regularly reviews and assesses whether the Company's executive compensation programs are having the desired effects and do not encourage an inappropriate level of risk.

Back to Contents

HUMAN RESOURCES AND COMPENSATION COMMITTEE REPORT

Review with Management. The Human Resources and Compensation Committee has reviewed and discussed with management the "*Compensation Discussion and Analysis*" presented in this proxy statement starting on page 39. Members of management with whom the HRCC discussed the "*Compensation Discussion and Analysis*" included the Company's Chief Executive Officer, Chief Financial Officer and Vice President, Human Resources.

Discussion with Independent Executive Compensation Consultant. The HRCC has discussed with Cogent Compensation Partners (which was subsequently acquired by Frederic W. Cook & Co., Inc. ("FWC") in July 2012), 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, 2012).

THE CONOCOPHILLIPS HUMAN RESOURCES AND COMPENSATION COMMITTEE

William E. Wade, Jr., *Chairman*

Richard H. Auchinleck

Harald J. Norvik

HUMAN RESOURCES AND COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

During the year ended December 31, 2012, none of our executive officers served as (1) a member of the compensation committee (or other board committee performing equivalent functions or, in the absence of any such committee, the entire board) of another entity, one of whose executive officers served on our Human Resources and Compensation Committee, (2) a director of another entity, one of whose executive officers served on our Human Resources and Compensation Committee or (3) a member of the compensation committee (or other board committee performing equivalent functions or, in the absence of any such committee, the entire board) of another entity, one of whose executive officers served as one of our directors. In addition, none of the members of our Human Resources and Compensation Committee (1) was an officer or employee of the Company or any of our subsidiaries during the year ended December 31, 2012, (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.

Back to Contents

ADVISORY APPROVAL OF EXECUTIVE COMPENSATION

What am I voting on?

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

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

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

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

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

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

Back to Contents

COMPENSATION DISCUSSION AND ANALYSIS

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

Executive Overview

Our Named Executive Officers for 2012 (including two who retired in 2012) were:

Name	Position
Ryan M. Lance	Chairman and CEO
James J. Mulva	Former Chairman and CEO
Jeffrey W. Sheets	EVP, Finance and CFO
Matthew J. Fox	EVP, Exploration and Production
Alan J. Hirshberg	EVP, Technology and Projects
Donald E. Wallette, Jr.	EVP, Commercial, Business Development and Corporate Planning
Willie C.W. Chiang	Former SVP, Refining, Marketing, Transportation and Commercial

Company Repositioning and Leadership Changes

The Company experienced significant transition in 2012. We completed our repositioning plan with the spinoff of our downstream business into an independent company (Phillips 66) on April 30 and emerged as the world's largest independent exploration and production ("E&P") company based on proved reserves and production of liquids and natural gas. With this in mind and in response to our ongoing dialogue with stockholders, the HRCC updated several key elements of our executive compensation programs in 2012. In addition, we have modified our programs to update pay practices and ensure retention of our key employees in our new independent upstream industry environment. Concurrent with the spinoff, Mr. Lance became the Chairman and CEO of the Company, replacing Mr. Mulva, who retired. Several other senior executives, including Messrs. Fox, Hirshberg and Wallette, took on expanded leadership roles.

Overview of Our Compensation Programs

Our executive compensation has four primary elements, as shown in the chart below:

Back to Contents

How We Performed in 2012

We experienced strong financial and operating performance in 2012, both as an integrated company from January through April and as an independent E&P company from May through December.

Our long-term strategy as an independent E&P company is focused on the following key priorities that we believe will drive value for our stockholders: (1) maintaining a relentless focus on safety and execution; (2) offering a compelling dividend; (3) delivering 3 to 5 percent compound annual production growth over the next five years; (4) generating 3 to 5 percent compound annual margin growth over the next five years; and (5) focusing on improvements in returns.

Our compensation programs are designed to reward executives for performance consistent with the Company's long-term strategy, to attract and retain high-quality talent and to align compensation with the long-term interests of our stockholders. As a result, our executive compensation programs closely tie pay to performance. In 2012, the Company delivered strong results, including:

Health, Safety and Environmental	• World class safety performance, best in class employee rates
Operations	• Exceeded annual production target, significantly exceeded reserve replacement target, strong progress on capital projects and drilling programs
Financial	• Exceeded absolute metrics; relative metrics impaired by significant natural gas exposure and low North American gas prices
Strategic Plan	• Completed successful spinoff of Phillips 66, completed $5.1 billion of share buybacks, asset sales program progressing on schedule
Total Shareholder Return	• 1st in full year TSR relative to our performance peers

How Our Performance Affected Our Pay

(See "*Process for Determining Executive Compensation*" on page 45 and "*2012 Executive Compensation and Analysis and Results*" on page 52)

Annual Incentive – Variable Cash Incentive Program (VCIP)

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

Based on the performance of the Company against approved metrics, we paid out VCIP as follows:

Corporate Performance – 150% of target for each of our Named Executive Officers

Award Unit Performance – 138.8% of target for each of our Named Executive Officers, other than Messrs. Mulva and Chiang

Individual Performance – adjustments of between 0% and 20% for each of our Named Executive Officers

Long-Term Incentive – Performance Share Program (PSP)

In connection with the spinoff of Phillips 66, we concluded two performance periods in progress under our PSP earlier than had been anticipated at the establishment of the regularly scheduled three-year performance periods. We settled a pro rata portion of the PSP awards based on pre-spin performance and established new performance periods that began following the spinoff.

The Committee determined that performance merited the following base awards as a percent of pro rata target awards:

- **PSP VIII Results:** January 2010 – April 2012

Corporate Performance – 180% of target for each of our Named Executive Officers

Individual Performance – adjustments of between 0% and 20% for each of our Named Executive Officers; the HRCC limited each payout so that no executive received more than 200% of the prorated target award

- **PSP IX Results:** January 2011 – April 2012

Corporate Performance – 150% of target for each of our Named Executive Officers

Individual Performance – adjustments of between 0% and 20% for each of our Named Executive Officers

While the normal program timing would have provided for a payout at the end of the 36 month performance period, the truncation of the program resulted in a pro rata portion of PSP IX being paid in 2012. However, the truncation also means that only the balance of the program is anticipated to be paid out in 2014.

- **PSP VIII Tail Results:** May 2012 – December 2012

Subsequent to the spinoff, the Committee approved a new tail performance period for PSP VIII for our post-spin Named Executive Officers. This new performance period was designed to pay out at target due to its short length. In February 2013, the HRCC approved payout at target.

The Committee approved new performance periods and performance metrics for PSP IX Tail running from May 2012 – December 2013 and for PSP X running from May 2012 – December 2014 (the HRCC delayed the commencement of this performance period until after the spinoff, however, we still consider the program period for PSP X to provide compensation for the period beginning in January 2012).

Back to Contents

2012 Say on Pay Vote Result and Engagement

At our 2012 Annual Meeting, approximately 80% 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 better understand stockholder views regarding the Company's compensation programs. The Company is committed to maintaining regular dialogue with its investors designed to:

- solicit their feedback on executive compensation and governance-related matters;
- evaluate the Company's compensation programs; and
- report stockholder views directly to the HRCC and Board.

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

- stockholders are generally pleased with the Company's compensation programs and believe such programs are well-aligned with long-term company performance;
- stockholders expressed concerns regarding the provision of excise tax gross-ups under our Change in Control Severance Plan and absence of a clawback policy; and
- stockholders emphasized the importance of transparency and readability of the Company's disclosure in the proxy statement.

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

The HRCC carefully considered the views of these stockholders and, in recognition of the significant transformation that occurred as ConocoPhillips repositioned as a purely E&P company, undertook a thorough review of its executive compensation programs following the completion of the repositioning. The deliberations of the HRCC were informed by the conversations the Company had with its investors following the 2011 and 2012 advisory votes on executive compensation, current market practices and general investor concern over certain pay practices. Resulting changes to our programs included:

-

the elimination of excise tax gross-ups for future participants under the Change in Control Severance Plan; and

•

the adoption of a clawback policy.

We have also incorporated feedback on the importance of transparent and readable disclosure in drafting this proxy statement.

Other Changes to Our Compensation Programs

Following the review of executive compensation described above, we made a number of other changes to our compensation programs, including:

•

Revising the group of peer companies to reflect our key competitors for executive talent with primarily upstream operations;

•

Reaffirming our commitment to a strong pay for performance program – almost 90% of the compensation package for our new CEO, Mr. Lance, is tied to performance-based incentives, and over 70% is tied to the Company's stock price;

•

Modifying our performance-based programs to focus on metrics consistent with our post-spin strategy; and

•

Simplifying our Performance Share Program to provide for (i) cash settlement of awards for performance periods established after the spinoff and (ii) the settlement of awards at the end of the performance period for programs beginning in 2013, both consistent with market practice.

Back to Contents

Our Compensation and Governance Practices

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

WHAT WE DO

Pay for Performance: We align executive compensation with corporate, award unit and individual performance on both a short-term and long-term basis. The majority of our target total direct compensation for Senior Officers is comprised of variable compensation through our annual incentive bonuses 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. All of our current Named Executive Officers 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, multiple performance metrics, and Board and management processes to identify risk. 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: In 2012, we implemented a clawback policy pursuant to which, executives' incentives are subject to a clawback that applies in the event of certain financial restatements. This is in addition to provisions already contained in our award documents pursuant to which we can suspend their right to exercise, refuse to honor the exercise of awards already requested, or cancel awards granted if an

WHAT WE DON'T DO

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

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

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

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

executive engages in any activity we determine is detrimental to the Company.

Independent Compensation Consultant: The Committee retained Cogent Compensation Partners (“Cogent”) (which was subsequently acquired by Frederic W. Cook & Co., Inc. (“FWC”) in July 2012) to serve as its independent executive compensation consultant. During 2012, neither Cogent nor FWC provided any other services to the Company.

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

We believe that our ability to responsibly deliver energy and to provide sustainable value is driven by superior individual performance. We believe that a company must offer competitive compensation to attract and retain experienced, talented, and motivated employees. Moreover, we believe 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.

Back to Contents

Our Principles

To achieve our goals, we implement our philosophy through the following guiding 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; and
- Integrate all elements of compensation into a comprehensive package that aligns goals, efforts, and results throughout the organization.

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, although it becomes a smaller component as a percentage of total targeted compensation as an employee rises through the ConocoPhillips salary grade structure. Base salary is important to give an individual financial stability for personal planning purposes. There are also motivational and reward aspects to base salary, as base salary can be increased or decreased to account for considerations such as individual performance and time in position. The following table shows our current Named Executive Officers' actual base salaries for 2012, as reflected in the *Summary Compensation Table,* and each of their respective 2013 target base salaries:

Name	12/31/2012	2013 Rate
R.M. Lance	$ 1,258,667	$ 1,700,000
J.W. Sheets	705,200	888,000
M.J. Fox	858,347	1,241,000
A.J. Hirshberg	909,000	1,034,000
D.E. Wallette	617,150	817,000

The increases in base pay approved by the Committee for Messrs. Lance, Fox, Hirshberg and Wallette are linked to their expanded leadership roles following the spinoff and, along with Mr. Sheets, reflect increases that align their respective positions' base pay and total compensation to the market in accordance with our compensation philosophy. 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.

Mr. Lance became Chairman and CEO on May 1, 2012. In setting his 2013 target compensation, the Committee considered current market data from the Company's compensation consultant that it then reviewed with the Committee's independent compensation consultant. See "*Peers and Benchmarking*" on page 46 for a discussion of this process.

Back to Contents

Performance-Based Pay Programs

Annual Incentive

The Variable Cash Incentive Program ("VCIP") is an annual incentive program that is broadly available to our employees throughout the world, and it is our primary vehicle for recognizing Company, award unit, and individual performance for the past year. We believe that having an annual "at risk" compensation element for all employees, including executives, gives them a financial stake in the achievement of our business objectives and therefore motivates them to use their best efforts to ensure the achievement of those objectives. We believe that measuring and rewarding performance on an annual basis in a compensation program is appropriate because, like our primary peers and other public companies, we measure and report our business accomplishments annually. Additionally, our valuation is derived, in part, from comparisons of these annual results with those of our primary peers and relative to prior annual periods. We also believe that one year is a time period over which all participating employees can have the opportunity to establish and achieve their specified goals. The base award is weighted equally for corporate and award unit performance for the Named Executive Officers (other than Messrs. Mulva and Chiang, who retired on or shortly after the spinoff, whose awards were based solely on corporate performance). See *"Process for Determining Executive Compensation – Developing Performance Measures"* 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 on individual performance adjustments based on the input of the CEO for all Named Executive Officers (other than for himself or Mr. Mulva). In 2012, Mr. Mulva also gave input to the HRCC prior to his retirement on the performance of Senior Officers up to that time.

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

Long-Term Incentives

Our primary long-term incentive compensation programs for executives are the Performance Share Program and the Stock Option Program.

Our program targets generally provide 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.

- Performance Share Program—The Performance Share Program ("PSP") rewards executives based on their individual performances and the performance of the Company 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. This was modified for program periods that included 2012, because of the repositioning of the Company as an independent E&P company. See *"Compensation Changes Reflecting the Spinoff of Phillips 66"* beginning on page 51 for details regarding these modifications.

Each executive's individual award under the PSP is subject to a potential positive or negative performance adjustment at the end of the performance period. Although the HRCC maintains final discretion to adjust compensation in accordance with any extraordinary circumstances that may arise, and has done so in the past, program guidelines generally result in an award range between zero to 200 percent of target. Final awards are based on the Committee's subjective evaluation of the Company's performance relative to the established metrics (discussed below under "*Process for Determining Executive Compensation – Developing Performance Measures*") and of each executive's individual performance. The Committee considers input from the CEO with respect to Senior Officers, including all 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 relevant salary grade.

- Stock Option Program—The Stock Option Program is designed to maximize medium- and long-term stockholder value. The practice under this program is to set option exercise prices at not less than 100 percent of the Company stock's fair market value at the time of the grant. Because the option's value is derived solely from an increase in the Company's stock price, the value of a stockholder's investment in the Company must appreciate before an option holder receives any financial benefit from the option. Our stock options have three-year vesting provisions and ten-year terms in order to incentivize our executives to increase the Company's share price over the long term.

The combination of the PSP and the Stock Option Program, along with our Stock Ownership Guidelines described elsewhere in this proxy statement, 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. Extended holding periods also enable the Company more readily to withdraw awards should circumstances arise that merit such action. To date, no Named Executive Officers have been subject to reductions or withdrawals of prior grants or payouts of restricted stock, restricted stock units, or stock option awards.

- Off-Cycle Awards—ConocoPhillips may make awards outside the PSP or the Stock Option Program (off-cycle awards). Off-cycle awards (also commonly referred to as "ad hoc" or "special purpose" awards) are granted outside the context of our regular compensation programs. Currently, off-cycle awards are granted to certain incoming executive personnel, typically on the first day of employment, 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. Pursuant to the Committee's charter, any off-cycle awards to Senior Officers must be approved by the HRCC. In 2012, the repositioning of the Company and the resulting number of retirements by Senior Officers, followed by an increase in hiring and promotions resulted in certain exceptional situations. Each Named Executive Officer who remained an active employee of the Company following the repositioning received grants during the year to reflect his or her increased duties and responsibilities. These awards were made under the PSP or as restricted stock units, used in lieu of stock options in certain cases, albeit at different times than the customary February meeting, except for awards made to Mr. Fox as inducement to join the Company. Thus, as shown in the *Grants of Plan-Based Awards Table* on page 62, the HRCC approved grants to Named Executive Officers on several dates during 2012, in addition to the customary February meeting.

Back to Contents

Process for Determining Executive Compensation

Our executive compensation programs take into account marketplace compensation for executive talent; internal pay equity with our employees; past practices of the Company; corporate, award unit and individual results and the talents, skills and experience that each individual executive brings to ConocoPhillips. Our Named Executive Officers each serve without an employment agreement. We provided offer letters to each of Messrs. Fox and Hirshberg as an incentive to accept employment and in recognition of foregone compensation from prior employers. A discussion of these letters is set forth on page 75 under *"Other Arrangements"* and beginning on page 58 under note 3 to the *Summary Compensation Table* and on page 63 under notes 1 and 6 to the *Grants of Plan-Based Awards Table*. 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 entitled "*Performance Criteria*" beginning on page 48, as well as the different types of compensation, the varied performance measurement periods and the extended vesting schedules utilized under each incentive compensation program for both executives and other employees. As a result of this review, the Company has concluded the risks arising from the Company's compensation policies and practices for its employees are not reasonably likely to have a material adverse effect on the Company. As part of the Board's oversight of the Company's risk management programs, the HRCC conducts an annual review of the risks associated with the Company's executive and broad-based compensation programs. The HRCC and its independent compensation consultant as well as the Company's compensation consultant noted their agreement with management's conclusion that the risks arising from the Company's compensation policies and practices for its employees are not reasonably likely to have a material adverse effect on the Company.

Human Resources and Compensation Committee

The Committee reviews and determines compensation for the CEO and for our Senior Officers. The Committee annually reviews and establishes performance goals and objectives relevant to the compensation of the CEO and Senior Officers, and evaluates whether those goals and objectives have been achieved for purposes of determining the performance-based compensation of the CEO and Senior Officers. Performance goals and objectives established by the Committee are consistent with corporate objectives related to business strategy, leadership and other corporate matters established by the Board. The Committee meets annually with the Lead Director with respect to the evaluation of the CEO, which the Chair of the Committee and the Lead Director then discuss with the CEO.

Management

The Company's Human Resources department supports the Committee in the execution of its responsibilities. The Company's Vice President, Human Resources supervises 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.

Compensation Consultants

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

The Committee retained FWC to serve as its independent executive compensation consultant in 2012. 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.

Back to Contents

The Committee considered whether any conflict of interest exists with either FWC or Mercer in light of recently adopted SEC rules and proposed NYSE listing standards. 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.

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 50^{th} 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.

Pre-Spin Compensation and Performance Peers

The following table shows the companies that we considered our peers through April 2012, when we were an integrated oil and gas company:

Company Name	Symbol	Compensation Peer	Performance Peer
Primary Peers:			

Exxon Mobil Corporation	XOM	√	√
Royal Dutch Shell plc	RDSA	√	√
Chevron Corporation	CVX	√	√
BP plc	BP	√	√
TOTAL SA	TOT		√
Secondary Peers:			
Occidental Petroleum Corporation	OXY	√	
Valero Energy Corporation	VLO	√	
Marathon Oil Company	MRO	√	
Fortune 50 Industrials (for CEO & staff executives)		√	

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Setting Compensation Targets – Compensation Peer Group (Pre-Spin)

At the February 2012 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 a second group of peer companies for benchmarking the compensation of ConocoPhillips' Named Executive Officers which are noted in the table above. In addition, for the CEO and staff executive positions, the HRCC considers other Fortune 50 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.

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Measuring Performance – Performance Peer Group (Pre-Spin)

For the period through April 2012 when the Company was an integrated oil and gas company, the HRCC believed our performance was best measured against the largest publicly held, international, integrated oil and gas companies against which we competed in our business operations. Therefore, for our performance-based programs, the Committee assessed our actual performance for a given period ending before the spinoff by using the performance peer group indicated in the table above.

Back to Contents

Post-Spin 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	Symbol	Market Cap ($B) As of 12/31/2012(1)	2011 Production (MBOED)(2)	Compensation Peer	Performance Peer
Exxon Mobil Corporation	XOM	408	4,506	√	√
Royal Dutch Shell plc	RDSA	259	3,215	√	√
Chevron Corporation	CVX	219	2,673	√	√
BP plc	BP	139	3,454	√	√
TOTAL SA	TOT	125	2,346		√
ConocoPhillips	**COP**	**71**	**1,619**		
Occidental Petroleum	OXY	67	733	√	√
BG Group	BG	60	641		√
Anadarko Petroleum Corporation	APC	39	680	√	√
Apache Corporation	APA	32	748	√	√
Devon Energy	DVN	22	659	√	√
Fortune 100 Industrials (for CEO & staff executives)				√	

(1)

Source: Bloomberg.

(2)

Based on publicly available information.

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Setting Compensation Targets – Compensation Peer Group (Post-Spin)

After the repositioning of the Company into an independent E&P company, the HRCC also began to look at other large independent E&P companies as indicated in the table above when setting total compensation targets and targets within each individual program. In addition, for the CEO and staff executive positions, the HRCC considers other Fortune 100 non-financial companies when setting target compensation.

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Measuring Performance – Performance Peer Group (Post-Spin)

For the period beginning in May 2012, when the Company became an independent E&P company, the HRCC believes our performance is best measured against both large independent E&P companies in addition to the same pre-spin group of companies. Therefore, for our performance-based programs, the Committee assessed our actual performance for a given period ending after the spinoff 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 below under *"Salary Grade Structure"* and *"Internal Pay Equity."*

Salary Grade Structure

Management, with the assistance of outside compensation consultants, 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 assess the performance of the Company relative to its post-spin strategy as an independent E&P company, focusing on the following key priorities that we believe will drive value for our stockholders:

- Maintaining a relentless focus on safety and execution;
- Offering a compelling dividend;
- Delivering 3 to 5 percent compound annual production growth over the next five years;

- Generating 3 to 5 percent compound annual margin growth over the next five years; and
- Focusing on improvements in returns.

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 absolute metrics that are directly tied to the post-spin strategy. 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.

Back to Contents

Performance Criteria

We use corporate and award unit performance criteria in determining individual payouts. In addition, our programs contemplate that the Committee will exercise discretion in assessing and rewarding individual performance. The HRCC considers all the elements described below before making a final determination. For VCIP and PSP, the HRCC approved changes in certain metrics and the weight considered for each metric after the repositioning to be consistent with our strategy and focus as an independent E&P company.