

COMPENSATION COMMITTEE CHARTER

Purpose

The Compensation Committee (the “Committee”) is appointed by the Board of Directors (the “Board”) of ConocoPhillips (the “Company”) (1) to oversee and administer the Company’s executive compensation policies, plans and practices, (2) to assist the Board in discharging its responsibilities relating to the fair and competitive compensation of the executives and other key employees of the Company, and (3) to issue an annual report on executive compensation for inclusion in the Company’s proxy statement. The Committee also provides oversight to ensure alignment with other key people-related business strategies.

Authority and Responsibilities

1. The Committee shall review and determine the base salaries and all other elements of compensation for the Chairman of the Board and the Chief Executive Officer, and the base salaries and all other elements of compensation for (1) all other executive officers of the Company and (2) all other employees of the Company and its subsidiaries in the salary grade level of vice president and above, and whose annual base salary exceeds \$310,000 (collectively, the employees identified in clauses (1) and (2) are referred to as the “Senior Officers”). The Committee shall also review and determine the awards for all employees eligible to participate in the Stock Option Program, the Performance Share Program, and similar compensation plans and programs involving equity of the Company, except to the extent the Board delegates responsibility for the review and determination of awards for employees other than the Senior Officers to the Special Equity Award Committee of the Board. The “other elements of compensation” referred to above include each of the following: (a) annual and long-term incentive compensation; (b) grants and awards under the Company’s incentive compensation and equity-based compensation plans; (c) special compensation awards; and (d) special or supplemental benefits, fringe benefits, perquisites, expense reimbursement arrangements, and other similar arrangements (whether business or personal in nature) applicable primarily to the Chairman, CEO, Senior Officers and senior management of the Company and its subsidiaries. Except as specifically provided in this Charter, the “other elements of compensation” referred to above shall not include compensation and benefits under non-executive plans and programs generally applicable to the employees of the Company and its subsidiaries, unless such plans and programs provide special benefits and compensation to the Chairman and CEO and the Senior Officers that are not available to employees generally. In determining the long-term incentive component of Chairman and CEO compensation and Senior Officer compensation, the Compensation Committee will consider the Company’s performance and relative shareholder return, the value of similar incentive awards to Chairmen, CEO’s and Senior Officers at comparable companies, and the awards given to the Chairman, the CEO, and the Senior Officers in past years.

2. Recommendations to the Board regarding compensation for non-employee directors of the Company shall be the responsibility of the Committee on Directors' Affairs.
3. The Committee shall annually review and establish annual or other periodic performance goals and objectives relevant to the compensation of the Chairman, the CEO and the Senior Officers, and evaluate whether those goals and objectives have been achieved for purposes of determining the performance-based compensation of the Chairman, the CEO and the Senior Officers. Annual and other periodic performance goals and objectives established by the Compensation Committee shall be consistent with corporate objectives on business strategy, leadership and other corporate matters established by the Committee on Directors' Affairs.
4. The Committee shall have the authority to authorize the issuance of the Company's common stock pursuant to the provisions of the Company's executive and non-executive compensation and benefits plans.
5. The Committee shall issue an annual report on executive compensation for inclusion in the Company's proxy statement.
6. The Committee shall review and establish Company stock ownership guidelines for the Chairman, the CEO and the Senior Officers of the Company.
7. The Committee shall review and make recommendations to the Board regarding (1) people strategies and initiatives such as leadership development and cultural and diversity management, (2) employment agreements with the Chairman and the CEO, and (3) severance arrangements, and change in control agreements or provisions for the Chairman and the CEO, to the extent that benefits under such severance arrangements or change in control agreements or provisions are not generally applicable to employees of the Company or its subsidiaries. The Committee shall have sole responsibility for reviewing and determining employment agreements and severance arrangements and change in control agreements or provisions that apply only to the Senior Officers (excluding the Chairman and the CEO) or apply generally to employees of the Company or its subsidiaries, even if benefits under such employment agreements, severance arrangements or change in control agreements or provisions are applicable to the Chairman, the CEO and the Senior Officers.
8. The Committee shall be responsible for establishing and maintaining an effective succession management process within the Company to identify and develop candidates for senior management positions. The Committee on Directors' Affairs shall be responsible for overseeing the development of a succession management plan for the Chairman and CEO and his direct reports.
9. The Committee shall have the sole authority to retain and terminate any compensation consultant to be used to assist in the evaluation of the compensation of the Chairman, the CEO and the Senior Officers, and shall have sole authority to approve the consultant's fees and other retention terms.

10. The Committee shall be assisted by the Company's human resources, legal and accounting staffs and other appropriate corporate staffs, and in addition, the Committee may obtain assistance from such other persons, who need not be employees of the Company, or organizations as it may deem appropriate, with the expenses incurred in their use to be paid by the Company. The foregoing authority includes the authority to retain, terminate and obtain advice and assistance from external legal, accounting or other advisors and consultants.
11. The Committee shall perform such duties as may, from time to time, be delegated to the Committee under the compensation and benefit plans of the Company or its subsidiaries and affiliates.
12. The Committee may appoint and delegate authority to subcommittees or other committees, as it deems appropriate.
13. The Committee shall exercise such other duties and responsibilities as may be assigned by the Board from time to time.

Membership

The Committee shall consist of three or more members appointed by the Board on the recommendation of the Committee on Directors' Affairs. The Committee shall comply with the independence requirements of the New York Stock Exchange. In addition, all members of the Committee shall meet the definitions of (a) a "non-employee director" within the meaning of Rule 16b-3 promulgated under the Securities Exchange Act of 1934, and (b) an "outside director" within the meaning of Section 162(m) of the Internal Revenue Code of 1986, as amended.

Meetings

Except as otherwise required by the By-Laws or the Certificate of Incorporation of the Company, a majority of the members of the Committee shall constitute a quorum for the transaction of business and the act of a majority of the members present at any meeting at which there is a quorum shall be the act of the Committee.

The Chairperson of the Committee shall be responsible for scheduling all meetings of the Committee and providing the Committee with a written agenda for each meeting. The Chairperson shall preside at the meetings of the Committee. In the absence of the Chairperson, the majority of the members of the Committee present at a meeting shall appoint a member to preside at the meeting.

The Committee shall have an executive session at each meeting without management representatives present.

The Committee shall make regular reports to the Board, and all actions of the Committee shall be reported to the Board at the next regular meeting of the Board. The Secretary or an Assistant Secretary of the Company shall keep the minutes of the Committee, which shall be distributed to all Board members.

The Committee may adopt such other rules and regulations for calling and holding its meetings and for the transaction of business at such meetings as is necessary or desirable and not inconsistent with the provisions of the By-Laws or this Charter.

Miscellaneous

The Committee shall review and reassess the adequacy of this Charter and the composition of the Committee annually and recommend any proposed changes to the Board for approval.

The Committee shall annually review its own performance.

Nothing in this Charter shall be deemed to amend the provisions of the By-Laws with respect to this Committee or other committees of the Board absent a separate resolution of the Board expressly amending the By-Laws.