

## **CORPORATE GOVERNANCE GUIDELINES**

### **1. Director Qualifications**

The Board will have a substantial majority of directors who meet the criteria for independence required by the New York Stock Exchange. The Committee on Directors' Affairs is responsible for reviewing with the Board, on an annual basis, the requisite skills and characteristics of potential new Board members as well as the composition of the Board as a whole. This assessment will include members' qualification as independent, as well as consideration of character, judgment, diversity, age, skills, including financial literacy, and experience in the context of the needs of the Board. Nominees for directorship will be selected by the Committee on Directors' Affairs and approved by the Board in accordance with such policies and principles as the Board shall promulgate after considering the recommendation of the Committee. The invitation to join the Board should be extended by the Chair of the Committee on Directors' Affairs and the Chairman of the Board on behalf of the entire Board of Directors.

The Board believes that maintaining a board with a range of skills and experience meeting the needs of the Company is important, as is maintaining a size that facilitates group discussion and collegiality.

It is the sense of the Board that individual directors who change the principal responsibility they held when they were elected to the Board should volunteer to resign from the Board in order to give the Board an opportunity to review the continued appropriateness of Board membership under the circumstances. In the course of such review, the Board will receive and consider the recommendation of the Committee on Directors' Affairs. It is not the sense of the Board that in every instance the directors who retire or change from the position they held when they came on the Board should necessarily leave the Board. The Board will make the determination of whether to accept resignations as specified in Section 13(B) of Article II of the By-Laws.

Each director should be able and prepared to devote sufficient time and effort to his or her duties as a director. Directors should advise the Chairman of the Board and the Chair of the Committee on Directors' Affairs in advance of accepting an invitation to serve on another public company board. No director may serve as a director past the Company's annual shareholder meeting immediately following his or her 72nd birthday. The Committee on Directors' Affairs will review each director's continuation on the Board by December 31 of each year.

The Board does not believe it should establish term limits. Directors who have served on the Board for an extended period of time are able to provide valuable insight into the operations and future of the Company based on their experience with and understanding of the Company's industry, business operations, history, policy and objectives. The Board believes that, as an alternative to term limits, it can ensure that the Board continues to evolve through the evaluation and nomination process described in these Guidelines.

## **2. Director Responsibilities**

The basic responsibility of the directors is to exercise their business judgment to act in what they reasonably believe to be the best interests of the Company and its shareholders. In discharging that obligation, a director is entitled to rely on the Company's executives, employees, outside advisors and auditors as to matters the director reasonably believes are within such person's professional or expert competence. The directors shall also be entitled to have the Company purchase reasonable directors' and officers' liability insurance on their behalf, to the benefits of indemnification to the fullest extent permitted by law and the Company's charter, Bylaws and any indemnification agreements, and to exculpation as provided by state law and the Company's charter.

Directors are expected to attend Board meetings and meetings of committees on which they serve, and to spend the time needed and meet as frequently as necessary to properly discharge their responsibilities. To the extent feasible, information and data that are important to the Board's understanding of the business to be conducted at a Board or committee meeting should be distributed in writing to the directors before the meeting and directors should come prepared to contribute substantively at the meeting by reviewing these materials in advance of the meeting. Directors are expected to attend the annual meeting of shareholders.

The Board has no general policy with respect to the separation of the offices of Chairman of the Board and the Chief Executive Officer and, if such offices are separated, whether the Chairman of the Board should be selected from the non-employee directors or be an employee. The Board believes that it is in the best interests of the Company for the Board to make a determination from time to time of whether the offices of Chairman of the Board and Chief Executive Officer should be separated when it elects a new Chief Executive Officer or Chairman of the Board.

Each director is free to suggest the inclusion of items on the agenda of any Board meeting. Each director is free to raise at any Board meeting subjects that are not on the agenda for that meeting. The Board will review the Company's long-term strategic plans, including succession plans, and the principal issues that the Company will face in the future during at least one Board meeting each year.

The non-employee directors (defined below) will meet in executive session at each Board meeting. The Chairman of the Committee on Directors' Affairs shall preside at these meetings and that director's name will be disclosed in the annual proxy statement. Each executive session may include, among other things, (1) a discussion of the performance of the Chairman and the Chief Executive Officer, (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 shall be 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. For purposes of these Guidelines, non-employee directors shall mean only those directors who

(1) are not current employees of ConocoPhillips, and (2) have not been employees of ConocoPhillips at any time during the past five years.

The Board believes that the management speaks for the Corporation. Individual directors may, in special circumstances, meet or otherwise communicate with various constituencies that are involved with the Corporation. However, it is expected that directors will do this only with the knowledge of the management and as authorized by the Chairman, the Board or an appropriate committee of the Board.

### **3. Board Committees**

The Board will have at all times the following standing committees: an Executive Committee, an Audit and Finance Committee, a Human Resources and Compensation Committee, a Committee on Directors' Affairs and a Public Policy Committee. The Audit and Finance Committee shall comply with the independence, experience and other requirements of The New York Stock Exchange and the Sarbanes-Oxley Act of 2002. The Human Resources and Compensation Committee and the Committee on Directors' Affairs shall comply with the rules regarding independence set forth by The New York Stock Exchange. Committee members will be appointed by the Board, which shall consider the recommendation of the Committee on Directors' Affairs and the desires of individual directors. It is the sense of the Board that consideration should be given to rotating committee members periodically, but the Board does not feel that rotation should be mandated as a policy. The Board will consider Chairmanships every three years for the Human Resources and Compensation Committee, the Committee on Directors' Affairs, and the Public Policy Committee and every three to six years for the Audit and Finance Committee.

Each standing committee will have its own charter. The charters of the Audit and Finance Committee, Human Resources and Compensation Committee and Committee on Directors' Affairs will comply with the listing standards of the New York Stock Exchange and all laws applicable to such committees. All committee charters will set forth the purposes, duties, goals and responsibilities of the committees as well as qualifications for committee membership, procedures for committee member appointment and removal, committee structure and operations and committee reporting to the Board. The charters will also provide that each committee (except the Executive Committee) will annually evaluate its own performance and report such to the Board as a whole.

The Chair of each committee, in consultation with the committee members, will determine the frequency and length of the committee meetings consistent with any requirements set forth in the committee's charter. The Chair of each committee, in consultation with the appropriate members of the committee and management, will develop the committee's agenda for each meeting. At the beginning of the year each committee will establish a schedule of agenda subjects to be discussed during the year (to the degree these can be foreseen). The schedule for each committee will be furnished to all directors.

The Board may, from time to time, establish or maintain additional committees as it deems necessary or appropriate.

#### **4. Director Access to Officers, Employees and Independent Advisors**

Directors have full and free access to officers and employees of the Company. Any meetings or contacts that a director wishes to initiate with officers or other Company employees may be initiated directly by such director, or arranged, at such director's option, through the Chairman or the Secretary or a Board committee. The directors will use their judgment to ensure that any such contact is not disruptive to the business operations of the Company and will, to the extent not inappropriate, copy the CEO on any written communications between a director and an officer or employee of the Company. Such communications will not be directive other than as relates to routine administrative matters.

The Board expects regular attendance and participation at each Board meeting of senior officers of the Company.

The Board and each standing committee have the power to hire independent legal, financial or other advisors as they may deem necessary, without consulting or obtaining the approval of any officer of the Company.

#### **5. Director Compensation**

The form and amount of director compensation will be determined by the Board, after consideration of the recommendation of the Committee on Directors' Affairs. The Committee on Directors' Affairs will conduct an annual review of director compensation, such review to include outside advice when appropriate. The Committee on Directors' Affairs will consider that directors' independence may be jeopardized if director compensation and perquisites exceed customary levels, if the Company makes substantial charitable contributions to organizations with which a director is affiliated, or if the Company enters into consulting contracts with (or provides other indirect forms of compensation to) a director or an organization with which the director is affiliated.

The Board believes that all directors should own equity in the Company in accordance with the guidelines established by the Committee on Director's Affairs. There should be programs to award equity ownership to directors and equity ownership targets that can be met by holding the equity awarded by the Company.

#### **6. Director Orientation and Continuing Education**

All new directors must participate in the Company's Orientation Program, which should be conducted within two months of each new director's election. This orientation will include presentations by senior management to familiarize new directors with the Company's strategic plans, its significant financial, accounting and risk management issues, its compliance programs, its Code of Business Conduct and Ethics, its principal officers, and its internal and independent auditors. In addition, the Orientation Program will include visits to Company headquarters and, to the extent practical, certain of the Company's significant facilities. All other directors are also invited to attend the Orientation Program. The Board will also make opportunities for Company site visits, tutorials and other continuing education for all directors. The Company will pay reasonable expenses

for a director's participation in non-Company continuing education programs approved by the Committee on Directors' Affairs.

## **7. CEO Evaluation**

Specific performance goals and objectives for the Chief Executive Officer's compensation purposes will be determined by the Human Resources and Compensation Committee. The Committee on Directors' Affairs and the Human Resources and Compensation Committee will meet annually to evaluate the Chief Executive Officer's performance in light of those goals and objectives and will discuss such evaluation with the non-employee directors meeting in executive session. The Chairs of the Committee on Directors' Affairs and the Human Resources and Compensation Committee will discuss the results of the evaluations with the Chief Executive Officer.

## **8. Management Succession**

The Committee on Directors' Affairs shall oversee succession planning for the Chairman and Chief Executive Officer and senior management, and shall make an annual report to the Board. The entire Board will work with the Committee on Directors' Affairs to nominate and evaluate potential successors to the Chief Executive Officer. The Chief Executive Officer should at all times make available his or her recommendations and evaluations of potential successors, along with a review of any development plans recommended for such individuals.

## **9. Annual Board Performance Evaluation**

The Board will conduct an annual self-evaluation to determine whether it and its committees are functioning effectively. The Committee on Directors' Affairs shall develop Board evaluation policies and procedures and shall discuss its assessment of the Board's performance with the full Board following the end of each fiscal year. The assessment will include an assessment of the Board's contribution to the Company and specifically focus on areas in which the Board or management believes that the Board could improve.

## **10. Categorical Standards**

As required by the listing standards of the New York Stock Exchange, a majority of the members of the Board must be independent. A director is independent if the Board determines that he or she has no material relationship with the Company (either directly or as a partner, shareholder or officer of an organization that has a relationship with the Company), and such director is not otherwise automatically deemed to be not independent by applicable NYSE listing standards. The Board has determined that any director meeting the following categorical standards shall automatically be deemed not to have any material relationship with the Company, and shall be independent:

- A director who has not received, and whose immediate family members have not received, for the past three years, more than \$120,000 per year in direct compensation from the Company. Director and committee fees, pension

or other forms of deferred compensation for prior service (provided such compensation is not contingent in any way on continued service), and compensation received by an immediate family member for service as a non-executive employee of the Company are not considered in making this determination;

- A director who is not, and for the past three years has not been, an employee of the Company and who does not have an immediate family member who is, or for the past three years has been, an executive officer of the Company;
- A director who is not, and has not for the past three years been, affiliated with or employed by an internal or external auditor of the Company, and who has no immediate family members who are current partners of such an auditor, who are current employees of such an auditor and who personally work on the Company's audit, or who have during the last three years been partners or employees of such an auditor and personally worked on the Company's audit within that time;
- A director who is not, and for the past three years has not been, employed as an executive officer of another company where any of the Company's present executives serve on that company's compensation committee and who has no immediate family members who have been employed as an executive officer for such company during the past three years;
- A director who has no personal service contract with the Company, any subsidiary or affiliate of the Company or any member of senior management;
- A director who is not, and in the previous three years has not been, an employee or executive officer of a company that makes payments to, or receives payments from, the Company for property or services in an amount which, in any single fiscal year, exceeds the greater of \$1 million, or 2% of such other company's consolidated gross revenues;
- An immediate family member shall include the director's spouse, parents, children, siblings, in-laws and anyone who resides in the director's home.

The Committee on Directors' Affairs is responsible for assessing compliance with these standards on an annual basis. Any director who does not meet these standards will be referred to the Board, and the Board will review the relationship or transaction that prevents such director from meeting these standards and make a determination of whether such relationship or transaction is a material relationship with the Company.

## **11. Publication**

These Guidelines, along with the Corporate Code of Business Conduct and Ethics, and each committee charter shall be published by the Company in appropriate print and electronic vehicles.

Revised and Effective December 2, 2009