



CODE OF BUSINESS ETHICS AND CONDUCT

**ConocoPhillips**



Note to employees based outside of the United States:

Certain sections of this Code may conflict with the local laws and regulations in your country.
Consult your local legal counsel for advice if you perceive a conflict.

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Introduction

As ConocoPhillips employees, we frequently encounter a variety of ethical and legal questions. We should decide these questions in ways which are consistent with ConocoPhillips basic values and principles.

The following commitment booklet will provide guidance on our corporate policy, principles and procedures for ethics, compliance and conduct.

Words from the CEO

The history of ConocoPhillips includes a long-standing commitment to comply with the law wherever we operate and to conduct all business activities with the highest ethical standards. In today's business environment, upholding this commitment is critical for our continued success in the global marketplace.

This Code of Business Ethics and Conduct (Code) has been adopted by the Board of Directors and summarizes the standards that must guide our actions. These standards represent company policy and establish conditions for our employment. We also expect contractors and other individuals who work on our behalf to be guided by these standards.

We must all recognize that our individual business actions affect how our stakeholders view ConocoPhillips as a company. It is therefore important to read this Code and to develop a working knowledge of the laws and regulations that affect your job. This

Code cannot cover every situation where choices and decisions must be made. Other laws and company and operating unit policies, also are key components of our business ethics program. In any situation, always ask yourself, "Am I doing the right thing?" If you don't know the answer, ask your management or the Corporate Ethics office for advice before you act.

Adhering to this Code is imperative. We have a zero-tolerance policy for ethical violations and even well intentioned actions that

violate the law or our standards of conduct will result in disciplinary action, which may include dismissal.

Our reputation and integrity depend upon each of us assuming a personal responsibility for our business conduct. Thank you for your continued commitment to upholding the reputation of ConocoPhillips around the world.

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Sincerely,



Jim Mulva
Chief Executive Officer

CORPORATE PURPOSE AND VALUES

Corporate Purpose

Use our pioneering spirit to responsibly deliver energy to the world.

Corporate Values

Safety: We operate safely.

People: We respect one another, recognizing that our success depends upon the commitment, capabilities and diversity of our employees.

Integrity: We are ethical and trustworthy in our relationships with all stakeholders.

Responsibility: We are accountable for our actions. We are a good neighbor and citizen in the community.

Innovation: We anticipate change and respond with creative solutions. We are agile and responsive to the changing needs of stakeholders and embrace learning opportunities from our experiences around the world.

Teamwork: Our “can do” spirit delivers top performance. We encourage collaboration, celebrate success and build and nurture long-standing, mutually beneficial relationships.

Responsibility and Accountability

Each employee at ConocoPhillips is responsible for his or her own behavior. While performing your job duties, you are responsible for ensuring that you conduct yourself in a manner that reflects positively on the company.

As a condition of employment, every employee’s personal responsibilities include:

- Complying with all applicable laws and regulations.
- Complying with all applicable company policies.
- Maintaining appropriate ethical behavior.
- Reporting any suspected misconduct, illegal activity, fraud, abuse of company assets or other violation of ethical standards.
- Annually submitting an ethics compliance certification.

Our Commitment to Stakeholders

We are committed to the highest ethical standards because we want people to know they can count on us. This commitment flows naturally from our responsibilities to our shareholders, our customers, our families, our vendors and suppliers, the communities where we live and work, and each other.

Employees

We believe in treating people with dignity and providing equal employment opportu-

nity for all employees in our employment practices, including recruiting, compensation, professional development and promotion. We believe in respecting human rights, providing safe and healthy working conditions, and respecting employees' rights to bargain collectively. We recognize that integrating the unique attributes and talents of our diverse work force contributes to more creativity and better solutions to problems.

We expect our employees to speak out when they see ethical lapses. We do not want others to ask our employees to do anything wrong and, likewise, will not ask anyone else to do anything wrong.

These values extend throughout our worldwide organization.

Shareholders

We seek to provide superior financial returns and to act in our shareholders' best interests.

Customers

We strive to provide quality products, superior services and innovative solutions. We will deal with customers in a straightforward and honest manner.

Families

We strive for a healthy balance between our work and our family lives. We want our families to be proud of the jobs we do and proud that we work for a company known for its honesty and integrity.

Communities

We strive to contribute to the overall quality of life wherever we operate and to use resources responsibly to preserve the environment. We want communities to count on us for our help in civic, charitable and other community activities.

Vendors and Suppliers

We strive to choose vendors and suppliers objectively and strive for honesty in all business dealings with them. We will make purchasing decisions on the basis of such factors as price, quality, delivery, service and integrity.

ConocoPhillips' obligations are for the long term, not just for this quarter or this year. These obligations demand that we adhere to the highest professional, industry and personal ethics. We will build on our history of integrity so that people will have an abiding trust in the company and our employees; they will know they can count on us.

Promoting a Positive Work Environment

Equal Opportunity

All employees want and deserve a workplace where they feel respected and appreciated. Our policies are designed to ensure that employees are treated fairly and with respect, by the company and each other.

ConocoPhillips will hire, evaluate, transfer,

compensate and promote employees based on skills and performance, and not on any unlawful considerations. If you feel you are a victim of discrimination, you have a right to voice your concerns. You can tell your supervisor or any other member of management, your local or corporate Human Resources contact or Ethics Officer. Reprisals or retribution against

Q: I am being teased by another employee and I consider it harassment of a sexual nature. What should I do?

A: Notify the offending individual that the conduct is not welcome and that if continued it will be reported. You should report complaints to your immediate supervisor, or to any supervisor, manager or human resources representative with whom you feel comfortable. If that is not feasible, call the Ethics Helpline. Your call is confidential and you may remain anonymous.

Q: I only know a little about an incident that could have led to an accident. Should I call the Helpline?

A: You are encouraged to report anything that troubles you or makes you uncomfortable. If possible, you should first attempt to discuss the matter with your supervisor or your local Safety or Human Resources representative. Remember – a safe and secure workplace begins with you. Even if you do not have all the facts, your concern and quick action may help prevent a more serious incident from taking place.

an employee who lodges a complaint in good faith will not be tolerated.

Harassment-Free Workplace

Harassment may occur when the words, actions or behavior of members of the work group create an intimidating, hostile or offensive work environment. This type of harassment can be destructive to a positive work environment and will not be tolerated.

Unwelcome sexual advances or other inappropriate personal conduct are prohibited. Sexual harassment may take many forms, including but not limited to, overt advances to demeaning comments, jokes, language and gestures.

We will not tolerate abusive language, physical violence or the threat of physical violence at ConocoPhillips.

Employees are expected to cooperate fully in the company's investigation of complaints. Retaliation against anyone who lodges a complaint in good faith will not be tolerated.

Safety and Health

We are committed to providing a safe and healthy work environment. There are extensive local and national laws designed to promote a safe workplace and these laws are strictly enforced. Extensive and continuous training and regular safety audits are essential for understanding and complying with safety laws.

Firearms and other weapons are strictly prohibited on company property or on the person of an employee while conducting company business. Company property includes developed and undeveloped company-owned or controlled land, buildings, parking lots, vehicles, areas of embarkment and disembarkment and recreation areas. Local management, with the concurrence of the manager of Global Security, is authorized to grant exceptions for special circumstances.

Environment

We are committed to promoting environmental stewardship around the world. Employees must understand and comply with the environmental laws and regulations that affect our business activities, as well as related company and operating unit

We are committed to promoting environmental stewardship around the world.

policies and procedures. We also insist that contractors, suppliers and others who work with us follow the appropriate laws and regulations.

In addition to complying with applicable environmental laws and regulations,

ConocoPhillips has a policy on health, safety and the environment which is available on the intranet site.

Substance Abuse

It is the policy of ConocoPhillips to maintain a safe, healthful and productive work environment for all employees. To that end, the company will act to eliminate substance abuse as it increases the potential for accidents, absenteeism, substandard performance, poor employee morale or damage to the company's reputation. As a condition of continued employment with the company, employees must comply with all applicable substance abuse policies, guidelines or procedures.

According to federal and state laws, involvement with certain drugs is illegal. In addition, under the Drug-Free Workplace Act, employees are required to notify their employer within five calendar days of any work-related criminal drug conviction.

Building and Maintaining Relationships

Conflicts of Interest

The company respects the rights of employees to manage their personal affairs and investments and does not wish to intrude upon their personal lives. At the same time, employees should avoid any situation that may involve a conflict between their personal interests and the interests of the company. As in all other facets of their duties, employees dealings with customers, suppliers, contractors, competitors or any person doing or seeking to do business with the company

must be in the best interest of the company to the exclusion of consideration of personal preference or advantage.

A "conflict of interest" occurs when our private interests interfere in any way with the interests of the company. A conflict can arise if we take on outside work or make financial investments that make it difficult for us to perform our work at ConocoPhillips objectively and effectively. A conflict also can occur if employees or members of their

To contact the Corporate Ethics office, call toll free 1-877-327-2272, or e-mail ethics@conocophillips.com. For international calls, see page 22.

family receive personal benefits as a result of the employee's position in the company. It is equally important to avoid apparent conflicts of interest – where a reasonable observer might assume there is a conflict of interest, and therefore a loss of objectivity in their dealings on behalf of ConocoPhillips.

Actions that might involve a conflict of interest, or the appearance of one, should be fully disclosed in writing to the employee's management for review and approval as soon as the conflict occurs. Employees who knowingly fail to disclose conflicts are subject to discipline, including dismissal.

Some situations require written disclosure and management approval.

In some cases, employees' job duties at ConocoPhillips may conflict with their outside interests. The following situations require written disclosure and management review to avoid actual or apparent conflicts of interest.

Q: A friend asked me to invest in a company that will produce a product that might eventually be sold to ConocoPhillips. If my only involvement in the new company is financial, is it still a conflict of interest?

A: This has the potential to be a conflict depending on your position at ConocoPhillips, the ability you have to influence ConocoPhillips purchasing decisions, the amount of your investment and the importance of ConocoPhillips as a future customer to this company. Before investing you should obtain prior written approval from your management and discuss with the Corporate Ethics Office.

1. Employees working for suppliers, contractors or customers.
2. Ownership by the employee or, to the employee's knowledge, by a member of the employee's family of a significant financial interest in any outside enterprise which does or seeks to do business with or is a competitor of the company. (*See note at the end of section for definition of significant financial interest.*)
3. Holding significant business interests in oil and natural gas leases, royalties or mining interests. This includes any interest held by the employee and immediate family members, including interests acquired as an inheritance or gift. (*See note at the end of section for definition of significant financial interest.*)
4. Serving as a director, officer, partner, consultant of, or in a managerial position with, or employment in a technical capacity by, any outside enterprise which does, or is seeking to do, business with or is a competitor of the company.
5. Acting as a broker, finder, go-between or otherwise for the benefit of a third party in transactions involving or potentially involving the company or its interests.
6. Any other arrangement or circumstance, including family or their personal relationships, which might dissuade the employee from acting in the best interest of the company.

These situations may or may not present a conflict, but must be carefully reviewed. For example, if the employee's job includes responsibilities over the customer, supplier or contractor, it may be necessary to reassign job duties or authorities to eliminate the potential for a conflict of interest.

Following the management review, approval or disapproval of the situation should be documented in writing.

The employee must note the situation on each annual ethics compliance certification so long as the conflict, or potential conflict, of interest continues.

If a conflict of interest is considered to be unacceptable, management should work with the employee to promptly resolve the matter.

In questions of conflict of interest, the term “family” should be interpreted broadly to include your, as well as your spouse’s, extended family.

The key to review of potential conflicts is whether the employee’s duties for the company, or those of his or her subordinates, require making decisions that could be influenced by the interest reported. Other considerations include, but are not limited to, whether or not:

- The outside interest does business or competes with the employee’s business, function or site.
- The employee has an active, managerial or decision-making role in the outside interest.
- The employee has access to company information potentially useful to the outside interest.
- Public disclosure of the facts will embarrass the company.

Q: I am a team leader and have an opening on my shift. I know that my brother, who works a different shift, is more than qualified to fill the open position and would be a dependable team member. Would his transferring to my shift violate company rules?

A: While not specifically a violation of the Code of Business Ethics and Conduct, it would violate Human Resources policy.

Note: Significant Financial Interest

As a minimum standard, a “significant” financial interest is a direct or indirect aggregate interest of an employee and family members of more than:

1. One percent of any class of the outstanding securities of a firm or a corporation.
2. Ten percent interest in a partnership or association.
3. Five percent of the total assets or gross income of such employee.

In applying the criteria to determine whether a financial interest is “significant,” total assets and gross income are to be evaluated separately. For example, if an employee owns 1,000 shares of a competitor’s stock, the minimum standard would be met if the value of the shares exceeds five percent of the employee’s total assets, even though the dividends from the shares are less than five percent of the employee’s gross income. The minimum standard also would be met if the dividends from the shares are more than five percent of the employee’s gross income, even though the value of the shares is less than five percent of the employee’s total assets.

Outside Work by Employees

ConocoPhillips employees may wish to take on additional part-time work with organizations that are not our competitors, customers

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or suppliers. Or they may wish to accept a voluntary, elected or appointed position with a political entity. Such work in itself does not constitute a conflict of interest. But, the second job or position must be strictly separated from the employee's job at ConocoPhillips.

- Outside work must not be done on company time and must not involve the use of company resources.
- The employee should not attempt to sell products or services from the outside work to ConocoPhillips.
- Performance of the off-duty work must not interfere with or prevent the employee from devoting the time and effort needed to fulfill the employee's primary duties and obligations as a ConocoPhillips employee.

If you are uncertain whether your outside work could represent a conflict of interest, advise your manager in writing and obtain approval before starting the outside work. The manager may consult with the Corporate Ethics office for guidance.

(Special Note: If you want to run for elective office or have been asked to serve in an appointed governmental position, you should contact the Government Affairs department. See additional information on page 20 of this booklet and on the Government Affairs department Web site on e-Stream.)

Soliciting Suppliers, Contractors or Local Merchants

Employees should not request donations from suppliers, contractors or local merchants to help pay for employee social func-

tions or sporting events. The one exception where donations are allowed is for company-wide, sanctioned, charitable events such as fundraising for the United Way. Solicitations of cash, merchandise or services are not allowed because they could be perceived to create obligations in order to keep, increase or obtain ConocoPhillips business.

Employees should not request donations from suppliers, contractors or local merchants to help pay for employee social functions.

We want our vendors and suppliers to understand that their business relationship with ConocoPhillips is based totally on their ability to competitively meet our business needs.

Business Courtesies and Inducements

Gifts, Favors and Entertainment

Business gifts and entertainment are customary courtesies designed to build goodwill among business partners. These courtesies include items of nominal value such as meals and beverages, tickets to sporting or cultural events, and other merchandise or services. In some cultures business gifts play an important role in business relationships. However, a problem may arise when such courtesies compromise – or

appear to compromise – our ability to make objective and fair business decisions.

Receiving Gifts, Favors and Entertainment

Employees should neither seek nor accept for themselves or others any gifts, favors or entertainment without a legitimate business purpose, nor seek or accept loans (other than conventional loans at market rates from lending institutions) from any person or business organization that does or seeks to do business with, or is a competitor of, the company. In application of this policy:

1. Employees may accept for themselves and members of their families common courtesies usually associated with customary business practices.
2. An especially strict standard is expected with respect to gifts, services, discounts, entertainment or considerations of any kind from suppliers.
3. It is never permissible to accept a gift in cash or cash equivalents (e.g. stocks or other forms of marketable securities) of any amount.

In certain situations, refusal of gifts with a value substantially in excess of customary business practices can result in awkward business situations. The propriety of employees keeping such valuable gifts for personal use versus turning them over to the company, donating them to a charity or other disposition should be discussed in each case with the employee's management. Disposition of such a gift should be documented, regardless of whether it is retained, returned or given to charity.

Q: I won a personal computer in a supplier-sponsored drawing at a trade association convention. Will the company allow me to accept this prize?

A: You may keep the prize as long as a random drawing was held, and all convention attendees were eligible to participate equally. All drawing participants must have had the same chance of winning. Tell your supervisor about the prize and the sponsoring supplier. Prize drawings should not otherwise be accepted because suppliers could be "selectively" awarding prizes in order to obtain a company's business.

Q: I received a "more than modest" gift from a business partner in a country that traditionally provides frequent and expensive gifts. How do I handle this?

A: In some cultures, gifts and entertainment play an important role in business relationships, and it is important to understand and adapt to local customs when working in countries foreign to you. Bear in mind, however, our policies do not allow giving or receiving gifts that could compromise – or appear to compromise – our ability to make objective and fair business decisions. You should review this matter with your management and the Corporate Ethics office to address the legality, timing, business purpose, value and intent of the gift. You may be required to turn the gift over to the company or donate it to charity.

Giving Gifts, Favors and Entertainment

Gifts, favors and entertainment may be given others at company expense only if they meet all the following criteria:

1. Consistent with customary business practices.
2. Not excessive in value and cannot be construed as a bribe or payoff.
3. Not in violation of applicable law or ethical standards.
4. Public disclosure of the facts will embarrass neither the company nor the employee.

Accounting records and supporting documentation reflecting gifts, favors and entertainment to others must be accurately stated, including appropriate, clear, descriptive text. Departments or organizations are encouraged to establish policies and procedures for approval in advance of gifts, favors or entertainment of unusual monetary value (U.S. tax law limits the deduction for business gifts to \$25 per recipient per year).

In case of doubt as to the legality of any gift, favor or entertainment proposed to be given by or on behalf of the company, the Corporate Ethics office or Legal department should be consulted in advance of commitment.

Strict rules apply when we do business with governmental agencies and officials. Because of the sensitive nature of these relationships, talk with your supervisor and your legal representative before offering or making any gifts or hospitality to government employees.

Bribes and Kickbacks

It is unacceptable to directly or indirectly offer, pay, solicit or accept bribes or kickbacks in any form. Under some statutes, such as the Foreign Corrupt Practices Act, these are criminal actions that can lead to prosecution.

It is unacceptable to directly or indirectly offer, pay, solicit or accept bribes or kickbacks in any form.

Commissions, Rebates, Discounts, Credits and Allowances

Sales-related commissions, rebates, discounts, credits and allowances are customary business inducements, but careful attention is needed to avoid illegal or unethical payments and to ensure compliance with various currency exchange controls and tax regulations. Such business-inducement payments must be reasonable in value, competitively justified, properly documented and made to the business entity to whom the original sales agreement or invoice was made or issued. They should not be made to individual officers, employees or agents of that entity or to a related business entity. They should be made only in the country of that entity's place of business.

Commissions, rebates, credits, discounts or allowances that are paid or granted by the company in conformity with standard trade terms for the industry, catalog prices or other standard procedures are deemed to

have been established in writing and need not be documented further.

Fees and Honorariums

With management approval, employees are allowed to serve as a director of another company, give lectures, conduct seminars or publish articles and books. Any fees, honorariums or reimbursements must be transferred to the company unless written management approval is given to retain them. A copy of the management approval will be filed in the employee's personnel file.

Q: My manager is asking me to do things that I believe violate company policies. What should I do?

A: Contact the next level of management in the company. He or she can discuss the policies with you and address your concerns regarding perceived violations. If the situation is not resolved, or if you are not comfortable discussing the issue with this individual, contact any manager, HR representative, the Corporate Ethics office or the Ethics Helpline. Company policy strictly prohibits any form of retaliation against you for good faith reports of ethical violations.

Obey the Law

ConocoPhillips policy is to comply with all laws and regulations. As our employees conduct business, they may encounter a variety of legal issues, particularly in the areas described below. The company holds information and training sessions to promote compliance with laws, rules and regulations. If you have questions on specific laws or regulations, contact ConocoPhillips Legal department.

Fair Competition

Antitrust laws, which also are known as competition laws outside of the United States, are designed to ensure a fair and competitive free-market system. While ConocoPhillips will compete vigorously in the marketplace, we will comply with the applicable antitrust and competition laws wherever we do business. This means that

we will compete on the merits of our products and services, the prices we charge and the customer loyalty we earn.

Some of the most serious antitrust offenses occur between competitors, such as agreements to fix prices or to divide customers, territories or markets. It is therefore important to avoid discussions with competitors regarding pricing, terms and conditions, costs, marketing or production plans, customers and any other proprietary or confidential information. Antitrust laws also may apply in other circumstances, like benchmarking efforts, trade association meetings or strategic alliances involving competitors.

Unlawful agreements need not be written or even consist of express commitments.

Agreements can be inferred based on “loose talk,” informal discussions or the mere exchange of certain information. If you believe a conversation with a competitor enters an inappropriate area, end the conversation at once.

Be accurate and truthful with customers, and take particular care when describing the quality, features or availability of our products and services. Be similarly careful if you describe a competitor’s products or services. It is unwise to criticize a competitor to a customer, and it is inappropriate to interfere with any contract between a competitor and a customer of the competitor.

Government Contracting

In pursuing business with governments of various countries, the standards of conduct and prohibited practices may be different from those adhered to in commercial business. For example, in the U.S., the giving of or offering to accept business courtesies from the government is severely limited. The U.S. Department of Defense guidelines limit a supplier’s entertainment expenses for governmental employees to a limit of \$20 per person per occasion, with a limit of \$50 per person per year.

When ConocoPhillips accepts U.S. government contracts or subcontracts, we have an obligation to the public to ensure that we administer those contracts and deliver our products and services in a manner that fully complies with federal procurement laws and regulations, as well as our own high standards. This applies equally to direct contracts

with the government and to subcontracts in which a ConocoPhillips business is providing products and services that are procured by others under contract with the federal government. These laws are often complex and impose serious civil and criminal penalties for violations of both the company and employees participating in improper practices.

Competitive Intelligence and Customer/Supplier Information

Competitive information is a valuable tool that allows us to understand and manage our markets, products and services so we can better meet our customers’ needs. However, employees are expected to gather and use that information in an ethical manner and in compliance with the law.

Prohibited, of course, are theft, illegal entry, black market purchases, blackmail, electronic eavesdropping, threats and other improper methods. Employees of competitors or suppliers should not be asked to reveal proprietary information. Our employees should likewise never divulge proprietary information about their former employers, and we will not ask them to.

Similarly, the records we maintain on our customers should only be used for ConocoPhillips business purposes. This information should not be released without proper authorization and for legitimate business reasons.

Any proprietary or non-public information about our competitors or suppliers should not be used if you suspect it has been obtained

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improperly or misdirected to you in error (such as misdirected faxes or bid information).

Make sure consultants and outside contractors engaged by ConocoPhillips are aware of and follow these guidelines.

Futures and Commodity Trading

ConocoPhillips engages in trading activities principally related to crude oil, gasoline, heating oil, propane, natural gas and electric power. In the U.S., for example, these transactions are governed by the Commodities Exchange Act, the rules of the Commodity Futures Trading Commission, antitrust laws, securities laws, money laundering laws and trade sanctions statutes. These laws impose criminal penalties for violations. Each employee involved in such transactions must adhere to procedures dictated by both the applicable laws and company accounting and authorization procedures. Other countries may have similar laws or regulations.

Insider Trading Laws

Using confidential material information for trading, or tipping others to trade, is both unethical and illegal. Material inside information is any information about a company (ConocoPhillips, our suppliers or customers) that has not reached the general marketplace and is likely to be considered important by investors deciding whether to trade. The term "trade" includes all securities transactions in the open market, and includes transactions in company plans such as employee savings and stock option plans.

Examples of material inside information include:

- Information about the acquisition or loss of a significant contract.
- Financial forecasts or earnings (for a company as a whole or for a major subsidiary or division).
- Major management changes.
- A new product, discovery or invention.
- Proposed significant acquisitions or mergers.

Q: What are examples of "acceptable" methods to obtain information about our competitors?

A: The key point is to use publicly available information. Examples include annual reports, environmental reports, stockbroker or oil and gas expert analyses, press releases, the Internet, trade journals, patents, and so on.

Q: We are doing a lot of benchmarking of other companies. Some of the information gathering does not seem quite "above board" to me. Should I be concerned?

A: Yes, you should be concerned. Normally, the guidelines on benchmarking are spelled out clearly in advance to avoid unintentional disclosure of confidential information by either company. Benchmarking terms must not attempt to acquire competitor's trade secrets or other confidential information under the guise of "research."

- The purchase or sale of significant assets.
- Developments of significant proceedings or litigation.
- Developments in labor negotiations.
- Restructurings and reorganizations.
- Stock splits.
- Dividend changes.

The insider trading laws apply to officers, directors, employees and agents of ConocoPhillips companies, as well as suppliers and consultants who have access to such information.

It is illegal to give undisclosed material information to anyone, other than in the necessary course of business. Employees who involve themselves in insider trading (either by personally engaging in trading or by disclosing confidential information to others) are subject to immediate dismissal and prosecution.

International Business Laws

We expect all employees to comply with the laws of the countries in which we operate. International transactions are frequently complex, such as those involving export controls and transactions with restricted countries as described below.

Antiboycott Laws

A boycott is the refusal of a person or group of people to do business with certain other people or countries. In the U.S., antiboycott laws generally prohibit U.S. companies and their subsidiaries from cooperating with international boycotts that the U.S. government does not sanction. U.S. companies and their worldwide subsidiaries also must report to the

U.S. government any requests they receive to engage in boycotting activity.

Import and Export Control Laws

ConocoPhillips must comply with all applicable national and multinational import and export control laws. For example, the U.S. Customs Service enforces many U.S. export laws and administers and enforces the laws regulating the U.S. importation of goods. U.S. export control laws provide licensing requirements, as well as sanctions and embargoes, for the export and re-export of U.S. goods and technology. Under certain circumstances, these laws prohibit subsidiaries of U.S. companies, including those located outside the U.S., from dealing directly or indirectly with particular countries and end users. Employees must understand the laws affecting their import and export activities, follow company procedures, seek appropriate training and maintain required records for review by U.S. Customs and other government agencies as requested.

Economic Sanctions

ConocoPhillips must comply with all national and multinational sanctions regulations that apply to doing business with certain foreign countries. For example, U.S. sanctions regulations have been established by the U.S. government for the purpose of restricting U.S. companies and their affiliates from undertaking certain economic activities, such as entering into agreements, exporting goods and technology or obtaining data from a foreign country that is out of favor with the U.S. government. Employees must be aware of such economic sanctions, follow company procedures and obtain advice from the Legal department.

Protecting Assets and Resources

Proper protection and use of company assets, including proprietary information, is a fundamental responsibility of each employee.

Protection and Use of Company Assets

Protecting company assets against loss, theft and misuse is everyone's responsibility. Our equipment, vehicles, tools and supplies have been acquired solely for the purpose of conducting company business. They may not be used for your personal benefit, sold, loaned, given away or disposed of without proper authorization. Taking company property from our facilities without permission is regarded as theft, and dismissal is the standard.

Company credit cards, cash, checks or money orders should never be used for personal use. Vouchers, time sheets, invoices, benefits claims and travel and expense reimbursement reports are used to obtain company funds and property. Inaccurate or incomplete documents can result in an improper, and potentially fraudulent, acquisition of company assets.

If you become aware of the theft or misuse of company assets, report the matter to your management, Global Security or the Corporate Ethics office.

Protection of Information Resources

ConocoPhillips computer and network hardware, software and telephone or other communication equipment (our information

resources) are key components of our business. They are intended for company business use and all information processed, transmitted or stored within these assets belongs to the company and can be monitored at any time. Some occasional and reasonable personal use is permitted. However, all use, business or personal, must be consistent with the company's corporate values.

Each employee is responsible for protecting these resources from damage, destruction, viruses, alteration, theft, fraudulent manipulation and unauthorized access, disclosure, or use.

Q: I have a strong suspicion a co-worker has stolen merchandise. How should I handle this?

A: Do not accuse the co-worker directly. Report your concerns at once to any supervisor, manager, Global Security or through the Ethics Helpline.

We can follow several simple guidelines to ensure our computer systems are adequately protected. User passwords should be random combinations of letters and numbers. Don't share your password, do change it regularly, and don't write it down where others might see it.

Protect all equipment and data from theft. Lock up laptop computers and other portable devices after hours or when not attended. Logoff or use a password protected screensaver if you will be away from your computer.

Always use anti-virus software and update the virus definitions files regularly. Always have backup plans and procedures that preserve important data and that allow critical work to continue in the event of loss, theft, or damage to a computer system.

Use only software that has been properly licensed and authorized by ConocoPhillips on your computer. Never make unauthorized copies of software. You may use ConocoPhillips-licensed software on home computers only if specified within the license agreements.

Electronic Communications Systems

Our internal electronic communications systems are used primarily for company business, but never for personal gain or any improper use. We are generally allowed to use ConocoPhillips Internet access, e-mail, paging, fax and telephone systems for incidental or occasional personal use, as long as there is no significant added cost to the company, it does not interfere with your work duties and is not related to an illegal activity or to any outside business. If you have a question whether it is permissible to use any company assets for purposes other than business, ask your management beforehand and obtain approval.

Don't access, send or download any informa-

tion that could be insulting or offensive to another person, such as sexually explicit messages, cartoons, jokes, unwelcome propositions, ethnic or racial slurs, or any other message that could be viewed as harassment.

Remember that "flooding" our systems with junk mail and trivia hampers the ability of our systems to handle legitimate company business.

Personal privacy is not always protected on communication systems. Unless prohibited by law, the company reserves the right to access and disclose this information as necessary for business purposes. Use good judgment, and do not access, send a message, or

store any information that you would not want to be seen or heard by other individuals.

Violations of these policies may result in disciplinary actions up to and including dismissal from the company.

Remember that "flooding" our systems with junk mail and trivia hampers the ability of our systems to handle legitimate company business.

Records Management

Knowing what documents and information to keep – and for how long – can be confusing. Many times our retention requirements are based on specific statutory and regulatory requirements that are unique to a particular business operation or location. These retention requirements apply to all company documents, including e-mail and other electronic records, which are as permanent as printed

To contact the Corporate Ethics office, call toll free 1-877-327-2272, or e-mail ethics@conocophillips.com. For international calls, see page 22.

documents and subject to the same records management standards. Failing to comply with company policy and these regulations, even innocently, can have serious tax or legal repercussions. Talk to your supervisor or records management unit head if you have questions.

Intellectual Property – Protecting Company Information

Our creativity and innovative ideas make significant contributions to ConocoPhillips' continued success in the marketplace. We must protect and leverage our intellectual property, which includes inventions, discoveries, improvements, ideas, computer programs and related documentation, trademarks, patents, copyrights and proprietary information.

Examples of proprietary or confidential information include:

- Business, research and new product plans
- Objectives and strategies
- Unpublished financial or pricing information
- Proposed asset acquisitions or dispositions
- Processes and formulas
- Salary and benefits data
- Employee medical information
- Employee, customer and supplier lists

Employees who have access to proprietary and confidential information are obligated to safeguard it from unauthorized access and:

- Not disclose this information to persons outside ConocoPhillips. Exercise caution when discussing company business in public places where conversations can be overheard, like restaurants and on airplanes. Recognize the potential for eavesdropping on cellular telephones.

Q: Is it possible for anyone other than the sender or addressee to read e-mail that I send and receive from the office?

A: E-mail is less private than traditional mail or the telephone. It can be saved, forwarded to others without our knowledge, and even reconstructed after deletion. Personal privacy is not protected when using company e-mail. Unless prohibited by law, the company has the right to view your e-mail. Adversaries can even obtain it through discovery proceedings and use it as evidence in lawsuits. Avoid careless, exaggerated and inaccurate e-mail statements that could be misunderstood, or could be used against you or the company in legal proceedings.

Q: I am concerned that my manager may be committing fraud against the company, but I am not really sure. What should I do?

A: Call the Ethics Helpline to report your concern to the Corporate Ethics office immediately. Information will be handled discreetly and confidentiality will be maintained during the investigation to the extent permitted by policy or law. If we can find no independent corroboration of your concern, no action will be taken against your manager. No action will be taken against you for your report. Even if your manager suspects that you have reported him or her, company policy strictly prohibits any form of retaliation against you for reporting your concern.

Q: I have heard that trade association members should be careful about certain activities and discussions at meetings. What are the issues?

A: Remember that trade association members may also be our competitors, and antitrust laws and regulations may apply. Each member must be completely independent to set its own prices, production and sales levels, and to choose its markets, customers and suppliers. Members should have no agreements (oral, written, or even implied) that would restrict these independent decisions. You should avoid meetings or discussions on these issues. If there is any question about an activity, consult with your legal representative immediately.

Q: We hired a person that formerly worked for a competitor. She is aware of proprietary and confidential information about her former employer. Is it okay for her to share this information at ConocoPhillips?

A: No. Company policy prohibits disclosing proprietary technical information and confidential business information about her former company. Even if it were accidentally disclosed, you cannot use the information. Simply stated, we will treat proprietary and confidential information about other companies in the same way that we expect former ConocoPhillips employees to treat our confidential information after leaving.

- Not use this information for personal benefit or the benefit of persons outside of ConocoPhillips.
- Not share this information with other employees except on a legitimate “need-to-know” basis.

Refer to the Communications policy for the approval required before this information is released outside the company. This includes speeches, technical papers for publication, company references, endorsements of other products and services, and information ConocoPhillips has received from other companies under an obligation of confidentiality.

Any company information created in the course of our employment belongs to the company. Employees leaving the company must return all proprietary information in their possession. Our obligation to protect ConocoPhillips proprietary and confidential information continues even after we leave the company.

Financial Reporting Integrity

Most of us are involved with financial reports of some kind – preparing time sheets or expense statements, approving invoices, signing for receipt of purchased materials or preparing inventory reports. And while many of us may not be familiar with accounting procedures, we need to make sure that every business record is accurate, complete and reliable. This standard also applies to all operating reports or records prepared for internal or external purposes, such as environmental data, product test results, quality control reports or sales projections.

Many of these records are critical to the management of our business. Make sure all your records are truthful and accurate. Unrecorded or “off-the-books” funds or assets should not be kept for any purpose. False, misleading or incomplete information undermines our ability to make good deci-

sions about resources, personnel and programs and, in some cases, violates the law.

The company has established accounting standards and procedures to ensure that assets are protected and properly used and that financial records and reports are accurate and reliable. Employees share the responsibility for maintaining and complying with required internal controls.

Foreign Corrupt Practices Act (FCPA)

The FCPA has two important provisions – accounting and recordkeeping, and bribery. This act applies not only to employees, but also to consultants or other persons we hire to facilitate business in any country outside the U.S. ConocoPhillips has strict procedures that require senior management review and approval before hiring any international consultant. Violations of this policy can result in dismissal.

The FCPA requires that we keep accurate books and records and maintain a system of controls to ensure our records fairly reflect transactions and dispositions of assets. This is to prevent “slush funds” and “off-the-books” accounts, which some companies have used to make and conceal questionable payments.

The FCPA also makes it illegal to bribe a foreign official in order to obtain or retain business or improper advantage. A bribe could be a payment, an offer or a promise of anything of value (regardless of the amount). A foreign official is an employee of a government outside the U.S. and includes members of the armed forces, employees of state-owned companies and members of a royal

Q: I have observed repeated report modifications by a fellow worker that I suspect will result in the release of misleading information about the productivity performance of our group. What should I do?

A: Whenever possible, if you observe apparent misconduct, report it to your supervisor first. If the supervisor is involved, then go to the next level of management. If that is not feasible, then call the Ethics Helpline. Your call is confidential and you may remain anonymous.

family engaged in commercial activities. Also included are officials of public international organizations, like the World Bank. Other countries in which we do business share recently passed laws that are similar to the FCPA. The laws also make bribery of foreign public officials a crime.

Facilitating Payments and the FCPA

Facilitating payments are incidental payments or gratuities to foreign officials to expedite performance of a routine governmental action, such as: obtaining permits, licenses or other documents to do business; processing government papers such as visas or work orders; providing police protection or mail services; providing telephone services, power and water supply; and loading and unloading cargo. The term “routine governmental action” does not include any decision of whether to award new business or to continue business.

Although these payments are not prohibited by the FCPA, they are discouraged and every effort should be made to avoid them. Obtain approval from your country manager before making any expediting payments. It is imperative that they be correctly recorded and identified in our records.

In addition to facilitating payments, the FCPA has other narrowly defined exceptions to its payment obligations. Contact your legal representative if you have questions.

Espionage and Sabotage

It goes without saying that acts of industrial espionage and sabotage against our company must be prevented, and we've talked about ways to protect our property, information and resources. Contact Global Security immediately if you suspect any unauthorized person is attempting to obtain sensitive information or gain access to a secured location.

Political Involvement

ConocoPhillips respects and supports the rights of employees to participate in political activities. However, use of corporate resources

to campaign for an elected position is strictly prohibited. Employees interested in serving in an elected or appointed governmental position should advise the Government Affairs department to ensure understanding of corporate policies and possible legal ramifications. Company policies and procedures related to this subject are located in the Government Affairs department Web site on e-Stream.

Employees may not make any contribution of company funds, property or services to any political party or committee, or to any candidate for, or holder of, any office of any government without the express prior approval of the Government Affairs department. These restrictions also include use of company resources, such as employee time, telephones,

computers or supplies. Political activities require close scrutiny as they may be illegal or considered an in-kind contribution by ConocoPhillips. Employees will not be reimbursed by the corporation for personal political contributions.

The company may sometimes express its views on local and national issues that affect its operations publicly and with elected officials. In such cases, company funds and resources may be used, but only when permitted by law and in accordance with our strict company guidelines, including approval by Government Affairs. It also should be noted that meetings between ConocoPhillips employees and government officials may constitute lobbying, thus requiring special

Q: I want to serve on the city council. Will the company allow me to do this?

A: Yes. Whether the city council position is an elected or appointed one, you should contact ConocoPhillips Government Affairs prior to making your decision. It is recommended that you also speak to your supervisor. Use of corporate resources for campaign purposes is strictly prohibited and may be illegal. Government Affairs will want to remind you of this and point you to other policies and guidelines on e-Stream.

Q: With approval from my country manager, I had to pay a small amount of money to a customs clerk to get our equipment quickly through customs. How do I handle getting reimbursed?

A: Use a travel expense statement or petty cash and record the expenses to the Facilitating Payments account. Receipt documentation should note the payment as a facilitating payment and identify the recipient, date and location of payment, purpose (i.e., to expedite a routine action) and management approval.

reporting of salary and other costs which may be considered non-deductible. Government Affairs will provide appropriate guidelines for such reporting.

The company also may make limited contributions to candidates and selected political parties or groups in jurisdictions where it is legal and customary to do so, also consistent with strict company guidelines. No employee may make or commit to political contributions on behalf of the company without the approval of Legal and Government Affairs.

Where appropriate and lawful, we have established U.S. federal and state political

Q: Do people really get dismissed for violating ConocoPhillips' ethical standards?

A: Yes. We take our ethical standards seriously and will enforce them. Dismissal is the standard for any employee – no matter what his or her level in the company – who has committed theft or fraud against the company. In some cases, employees may be dismissed for other violations such as conflict of interest, sexual harassment, falsifying company records or soliciting donations from vendors.

action committees (PACs). Participation in an employee PAC is voluntary. No direct or indirect pressure in any form is to be placed on employees to make any political contribution or participate in the support of a political party or the political candidacy of any individual.

Compliance Standards and Procedures

ConocoPhillips employees will be required to complete an Ethics Compliance Certification annually.

We must all work to ensure prompt and consistent action against violations of this code. However, in some situations it is difficult to know right from wrong. Since we cannot anticipate every situation that will arise, it is important that we have a way to approach a new question or problem. These are the steps to keep in mind:

- **Make sure you have all the facts.** In order to reach the right solutions, we must

be as fully informed as possible.

- **Ask yourself: What specifically am I being asked to do? Does it seem unethical or improper?** This will enable you to focus on the specific question you are faced with and the alternatives you have. Use your judgment and common sense; if something seems unethical or improper, it probably is.
- **Clarify your responsibility and role.** In most situations, there is shared responsibility. Are your colleagues informed? It may help to get others involved and discuss the problem.

- **Discuss the problem with your supervisor.** This is the basic guidance for all situations. In many cases, your supervisor will be more knowledgeable about the question and will appreciate being brought into the decision-making process. Remember that it is your supervisor's responsibility to help solve problems.
- **Seek help from company resources.** In the rare case where it may not be appropriate to discuss an issue with your supervisor or where you do not feel comfortable approaching your supervisor with your question, discuss it locally with your office manager, any other manager or your local or corporate Human Resources contact. If that also is not appropriate, call the company's toll-free Ethics Helpline, which will direct your concerns to the appropriate people at company headquarters.
- **You may report ethical violations in confidence and without fear of retaliation.** If your situation requires that your identity be kept secret, your anonymity will be protected. The company does not permit retaliation of any kind against employees for good faith reports of ethical violations.
- **Always ask first, act later:** If you are unsure of what to do in any situation, seek guidance before you act.

CONTACT INFORMATION

To contact someone regarding ethics and compliance at ConocoPhillips, you can reach us several ways.

Ethics Helpline:

A toll-free advice line for employees to ask for advice or report an ethical situation

North America: **1-877-327-2272**

Outside North America: Call the AT&T Direct access number for your country, wait for a response, and then dial **877-327-2272**

(Refer to www.travel.att.com for country-specific access numbers.)

E-mail:

You can send an e-mail message to **ethics@ConocoPhillips.com**

Intranet:

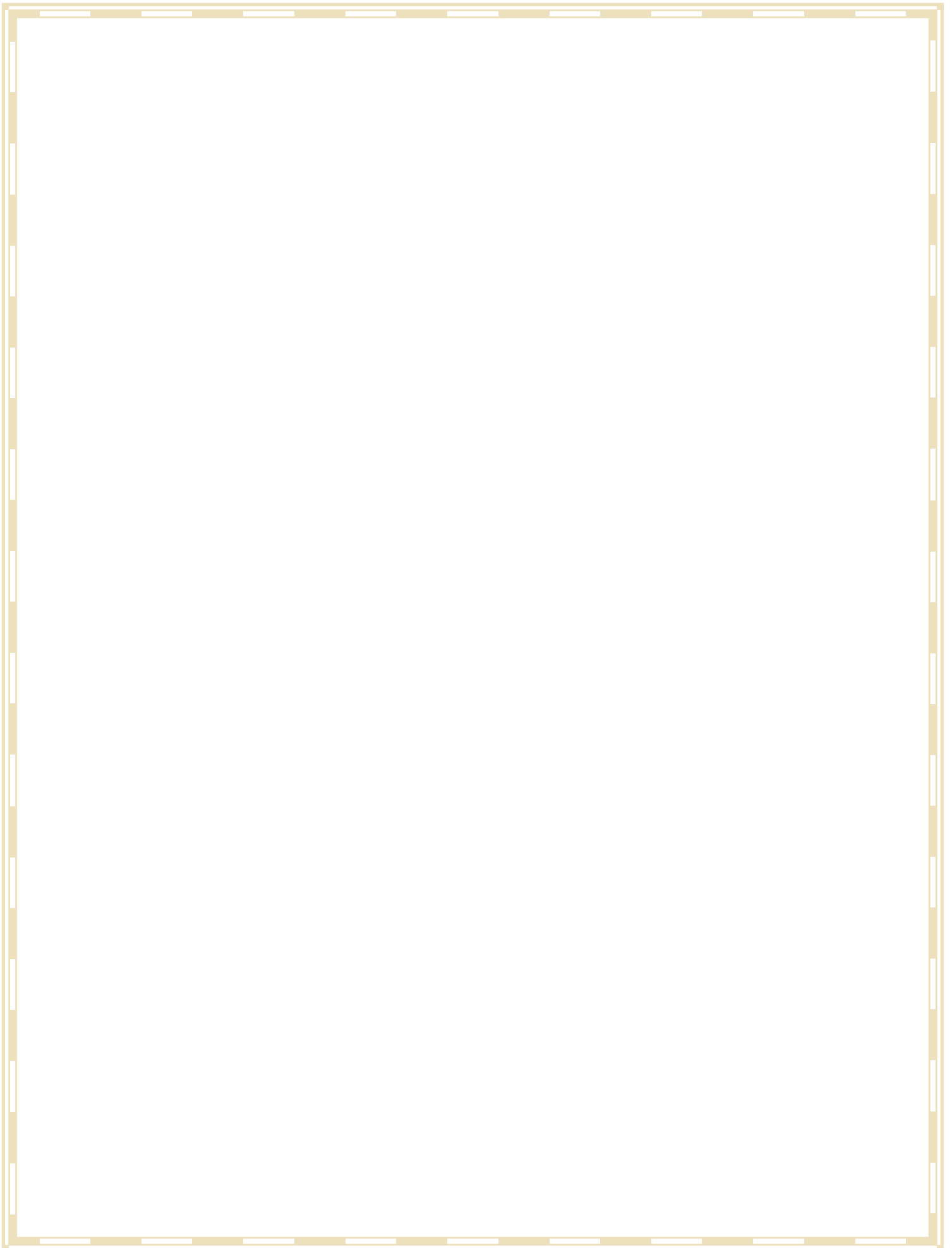
ConocoPhillips employees can learn more about the Ethics office on the company e-Stream intranet. (<http://ethics.conocophillips.net>)

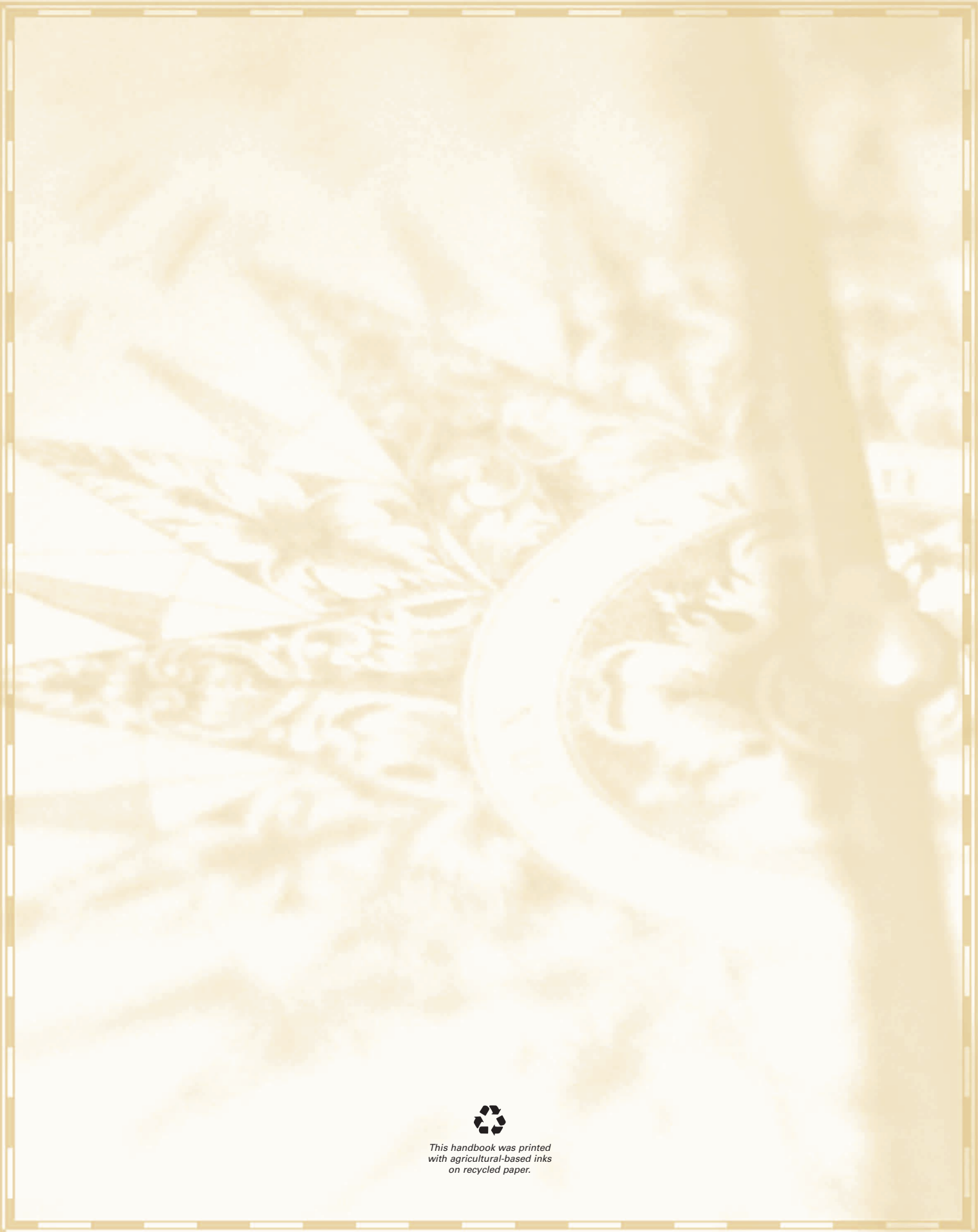
Mail:

Attn: Corporate Ethics Office
Marland 2142
600 N. Dairy Ashford
Houston, Texas, U.S.A. 77079-1175

When you use one of these methods:

- Your concern or question will be taken seriously and will be investigated as appropriate.
- Your communication will be protected to the greatest extent possible.
- You need not identify yourself.





*This handbook was printed
with agricultural-based inks
on recycled paper.*

