

VIA UPS 2<sup>ND</sup> DAY

November 21, 2016

Ms. Janet Langford Carrig  
Senior Vice President, Legal, General Counsel, and Corporate Secretary  
ConocoPhillips  
600 North Dairy Ashford  
Houston, TX 77079-1175



Timothy Brennan  
Treasurer and  
Chief Financial Officer

Dear Ms. Carrig:

The Unitarian Universalist Association (UUA), a holder of 124 shares of ConocoPhillips, is hereby submitting the enclosed resolution for consideration at the upcoming annual meeting. The resolution urges the Human Resources and Compensation Committee (the "Committee") to report annually to shareholders on the extent to which ConocoPhillips' incentive compensation programs for senior executives promote resilience to low-carbon scenarios associated with efforts to limit global temperature rises to below 2 degrees Celsius.

This resolution is proposed by the Unitarian Universalist Association, which is a faith community of more than 1000 self-governing congregations that bring to the world a vision of religious freedom, tolerance and social justice. With roots in the Jewish and Christian traditions, Unitarianism and Universalism have been a force in American spirituality from the time of the first Pilgrim and Puritan settlers. The UUA is also an investor with an endowment valued at approximately \$175 million, the earnings of which are an important source of revenue supporting our work in the world. The UUA takes its responsibility as an investor and shareowner very seriously. We view the shareholder resolution process as an opportunity to bear witness to our values at the same time that we enhance the value of our investments.

We submit the enclosed resolution for inclusion in the proxy statement in accordance with Rule 14a-8 of the General Rules and Regulations of the Securities and Exchange Act of 1934 for consideration and action by the shareowners at the upcoming annual meeting. We have held at least \$2,000 in market value of the company's common stock for more than one year as of the filing date and will continue to hold at least the requisite number of shares for filing proxy resolutions through the stockholders' meeting.

Verification that we are beneficial owners of ConocoPhillips will be provided upon request. If you have any questions or wish to discuss the proposal, please contact me at (617) 948-4605 or [tbrennan@uua.org](mailto:tbrennan@uua.org).

Yours very truly,

A handwritten signature in blue ink, appearing to read "Timothy Brennan", with a long horizontal line extending to the right.

Timothy Brennan

Enclosures: Shareholder resolution

RESOLVED, that shareholders of ConocoPhillips (“ConocoPhillips”) urge the Human Resources and Compensation Committee (the “Committee”) to report annually to shareholders on the extent to which ConocoPhillips’ incentive compensation programs for senior executives promote resilience to low-carbon scenarios associated with efforts to limit global temperature rises to below 2 degrees Celsius (“2° Scenarios”), including the ways in which those programs:

- Align performance measurement and vesting periods, on the one hand, and the time horizon of risk associated with investment decisions, on the other;
- Link the amount of incentive pay to the volume of fossil fuel production or exploration;
- Reward, or not penalize, consideration of demand reductions projected in 2° Scenarios when allocating capital, especially to projects with higher break-even prices; and
- Encourage the development of a low-carbon transition strategy.

#### SUPPORTING STATEMENT

As long-term shareholders, we believe that incentive compensation programs should promote the creation of sustainable value. We are concerned that lower demand caused by measures to limit climate change may lead to lower fossil fuel prices over the medium and long term, as global governments begin to implement their commitment made at the 2015 Paris climate conference to hold global temperature rise to well under 2 degrees Celsius. Moreover, if the Paris target is not met, the systemic global economic consequences could depress demand for oil and gas.

Accordingly, it is crucial for fossil fuel companies to incentivize senior executives to plan for a low-carbon transition. Some aspects of ConocoPhillips’ incentive programs, however, are at odds with that objective. ConocoPhillips uses reserve replacement ratio as a metric to determine awards under the annual bonus and performance shares programs. As well, whether a company has “very large production and reserves” is a factor the Committee considers in constructing the compensation and performance peer groups used to design senior executive pay programs.

ConocoPhillips does not use any compensation metrics relating directly to low-carbon resilience or transition planning, which could help better align senior executives’ interests with those of long-term shareholders. Finally, ConocoPhillips does not appear to incorporate any scenario analysis in its senior executive compensation programs, despite the fact that it uses carbon scenarios, including a low-carbon scenario, to evaluate its current portfolio and investment options. (<http://www.conocophillips.com/sustainable-development/environment/climate-change/climate-change-strategy/Pages/default.aspx>)

The report requested in this proposal would allow shareholders to assess the extent to which ConocoPhillips' senior executive compensation programs reward planning for a smooth transition to a low-carbon future in which ConocoPhillips delivers value to shareholders. The process of preparing the report would also, we expect, help to focus the Committee's attention on the importance of aligning of incentives with longer-term strategic planning and capital allocation.

We urge shareholders to vote for this proposal.