Global Educational Reimbursement Principles

1. Introduction
The Global Educational Reimbursement Principles extend to countries and regions around the world with an educational refund policy. While educational reimbursement is not an entitlement, countries that have an educational reimbursement program view it as a component of ConocoPhillips’ total rewards philosophy that is financially supported by the employee’s business unit’s training plan and budget.

2. Purpose
The purpose of ConocoPhillips Educational Reimbursement is to provide employees appropriate opportunities to access education that enhances their abilities to perform in their current or future job responsibilities. Additionally, educational reimbursement is intended to link to an employee’s individual development plan as well as meet ConocoPhillips’ business needs. Applicable formal education has a positive impact on an employee's contribution to the company, and a policy that supports educational reimbursement is an effective attraction and retention tool. Employees are encouraged to improve their education, skills and knowledge in areas that relate to their current or probable positions to which they may realistically transfer or progress in the future.

3. Difference Between Training and Formal Education
Training and formal education build the skills of ConocoPhillips employees. Training is characterized as essential for the employee to perform his or her job and has a strategic purpose. Training typically is provided on company time and is paid for in full and directly by the company.

In contrast, formal education beyond that which is required by the position description, enhances an employee’s capabilities, but is not essential for the employee to perform in the job. Formal education, once approved, is reimbursable through country-specific tuition refund programs.

4. Advanced Degree Programs
Funding for all advanced degree programs beyond Bachelor’s degree, or its equivalent -- such as Masters (including MBAs), Doctorates, J.D. degrees, require the final approval of the appropriate Executive Leadership Team + 1 Member (or designee) and the concurrence of his/her Human Resources Manager. Approval is required prior to application to an institution.

5. Tuition Repayment for all Advanced Degree Programs
The company’s expectation is that employees remain with the company for at least two years following completion of the final class for any advanced degree programs. Employees who do not continue in regular full-time or part-time service for at least two years following the completion of the last course for which tuition has been paid must repay the company the entire amount of the tuition paid.

Prior to management approval of the request, each advanced degree candidate must sign the Advanced Degree Repayment Commitment and Authorization for Salary Deduction form (as appropriate by country). This form states that repayment is required if he or she leaves the company within two years of completion of the last advanced degree course; that repayment is required prior to termination date; and that in the event repayment is not remitted by the termination date and where applicable by country, deductions of the amounts due will be made from the final paycheck or any amounts payable including, but not limited to vacation, Variable Cash Incentive Program bonuses, special compensation awards, etc.
This two-year continuity of service condition does not apply to employees who die, separate due to a long-term disability, are laid-off, or involuntarily terminate for any reason other than termination for cause.

6. Guidance on Educational Fit -- When Should Educational Requests Be Approved

Before an educational course or program is approved, the course of study should be shown to be linked clearly to the individual development plan of the employee. Anyone undertaking a degree program should fill out an individual development plan, in addition to the annual Performance Agreement. The individual development plan will help determine if the study program is appropriate. It should also foster an in-depth, candid discussion about the employee’s development.

Training and formal education, unless driven by regulatory requirements, always should be prefaced by a face-to-face development discussion between an employee and a supervisor. Open and honest dialogue regarding how educational investments fit into the individual development plan of the employee is critical. An employee may target learning that applies to the current or future job, or even a career change if appropriate. A development conversation and appropriate planning should occur between the employee and the supervisor and, in the case of advanced degrees, with the appropriate Talent Management Team to ensure that the investment is consistent with organizational needs. Also, the development conversation will facilitate business unit planning.

The following guidance should be considered before approval:

**To build current job capabilities**

After a development discussion and individual development planning has occurred between employee and supervisor, the country-specific Tuition Refund Policy is a way for ConocoPhillips and employees to mutually provide an appropriate set of skills for the employee’s current job. Beyond formal degree programs, examples include: Courses offered by professional societies, professional certifications, on-going credits to retain a certification or accreditation, and training to learn about new techniques, changing laws or technology, including distance learning and/or virtual classroom. Supervisor approval must be sought before pursuing education.

The following should be taken into consideration when approving an employee’s request for participation:

- Will the degree program/course work provide strategic or relevant competence to the company?
- Will the degree program/course work help develop skills and knowledge to be used in the employee’s current position or that have been identified in the employee’s development plan?
- Will the degree program/course work lead to a recognized qualification?
- Will participation in the degree/course work interfere with the employee’s normal job duties?
- Are the costs for this educational investment reasonable?
- Is the employee recognized as being capable of taking on additional responsibility and roles in the future?

**To build future capabilities**

This program also can be used in certain cases to develop an employee beyond the job he or she is in currently. However the following factors should be considered:

- Will this particular education program significantly improve the employee’s ability to perform in the company in the future?
- Will participation in the course work interfere with the employee’s normal job duties?
• Does the employee have a written individual development plan that has been reviewed and agreed to by management and/or a Talent Management Team (TMT)? Will the investment be recognized as part of the employee’s development?
• Does this educational program help build a set of skills that the company recognizes as a need?
• Are the costs for this educational investment reasonable?
• Is the employee recognized as a future key leader?

Examples of where educational support may be beneficial to build current or future capabilities are individuals who are transitioning to the next functional level, or individuals who are making a cross-functional move

7. Cross-Functional Educational Requests
When an employee expresses interest in changing careers and seeking formal education outside his or her current expertise, the supervisor will be responsible for discussing with the function, business area, and/or TMT to see if an organizational switch is reasonable and likely to be available. If the business area, function, or TMT does not support a career change, the supervisor should decline approval for tuition reimbursement.

When an employee expresses interest in seeking formal education that may apply to the current position or a future job in the same area of expertise or function, but the company does not agree that the education will realistically be in line with the company’s assessment of potential of the employee, the request should be denied. For example, an employee may want to pursue an MBA because he or she aspires to become a supervisor, but the development plan discussion with the supervisor indicates that the individual will not be supported in seeking that opportunity because the gap in skills and capabilities will not be filled by the education. In this case, the request would be denied.

It is critical for the supervisor to have in-depth development discussions with employees seeking approval for reimbursement in degree programs. The supervisor must feel comfortable that the degree being sought is consistent with enhancing current and future capabilities required by the company. If an employee’s request for tuition refund is denied, the employee always has the option to continue with the education process independent of the company plan.

Frequently Asked Questions:

What is the difference between training and formal education?
Training is characterized as essential for the employee to perform his or her job and has a strategic purpose. Training typically is provided on company time, is 100 percent reimbursable and is paid directly by the business unit. Formal education, beyond that which is required by the position description, enhances an employee’s capabilities but is not essential for the employee to perform in the job. Formal education, once approved, is reimbursable through country-specific tuition refund programs.

What is the purpose of an Individual Development Plan (IDP)?
Individual development plans ensure that there is a connection between the educational investment and the job the employee currently has or would realistically have in the future with ConocoPhillips.

If I resign from the company within two years of completing my Advanced Degree, will I be expected to repay the company for the tuition?
Yes. The company’s expectation is that employees who earn Advanced Degrees will remain with the company for a minimum of two years after the completion of their final class toward the degree. Employees who voluntarily discontinue their regular full-time or part-time employment at ConocoPhillips within two years following the completion of the last advanced degree course for which tuition has been paid must repay the company the entire amount of the tuition in accordance
with the repayment authorization form that must be signed before an employee can begin an advanced degree course under this program.