

**Effective date:** 01/01/2003

**Revision date:** 07/01/2022 – New Hires no longer wait 90 days to exercise vacation and will be awarded 25% of annual vacation allocation when hired in Q4.

**Update effective 01/01/2018:** Increase annual vacation award for employees with 0-4 recognized years of relevant service.

## I. Purpose

The purpose of this U.S. Vacation Policy ("Policy") is to provide eligible employees time off with pay.

## II. Eligibility

This Policy applies to you if you are a regular full-time, regular part-time or temporary employee on the U.S. payroll. It does NOT apply if you are:

- An intermittent employee (unless state or local law requires otherwise); or
- Specifically covered under another Company-approved vacation policy or under the terms of an applicable collective bargaining agreement. Changes to this Policy are not automatically extended to employees covered by a collective bargaining agreement and are not intended to modify or change existing language or practices under a collective bargaining agreement.

Note: Eligibility requirements and methods of calculating periods of past service for seniority, retirement, group insurance, service awards, and leaves of absence have no impact on this Policy.

## III. Definitions

<b>Awarded Vacation</b>	Time off that is granted on January 1 of each year or prorated based on your month of hire in your initial year of hire.
<b>Calendar year</b>	The 12-month period beginning on January 1 and ending on December 31.
<b>Company</b>	ConocoPhillips Company whose employees are covered by this Policy.
<b>Earned Vacation</b>	Time off that is earned each calendar year per Schedule B.
<b>Experienced Exempt and Non-Exempt Hires</b>	Experienced exempt and non-exempt hires who have prior relevant experience with another company.
<b>Intermittent Employee</b>	As defined in the <a href="#">U.S. Employment Status Policy</a> .
<b>Regular Pay</b>	The straight-time rate of your regular work classification exclusive of shift differentials, overtime earnings of a temporary or irregular nature, and other premium pay, such as premium pay for holidays.
<b>Retirement Eligible</b>	Age 55 with at least 5 years of Company service as defined in the <a href="#">U.S. Service Recognition Policy</a> .
<b>Temporary Employee</b>	As defined in the <a href="#">U.S. Employment Status Policy</a> .
<b>Vacation</b>	Time off at regular pay for eligible employees under the terms of this Policy.
<b>Vacation Eligibility Date (VED)</b>	The date from which your recognized relevant experience for vacation and certain other policies is calculated. It is used to determine the number of hours of vacation that are available to you. Reference the <a href="#">U.S. Service Recognition Policy</a> for a more detailed explanation.

## IV. Vacation – Regular Full-Time and Regular Part-Time Employees

### A. VACATION SCHEDULE

With the exception of your year of hire, your vacation time is awarded on January 1 of each year, subject to the maximum vacation limit, and in accordance with the following schedule:

#### Schedule A – Annual Vacation Award Schedule

Recognized Years of Relevant Experience	Annual Vacation Award	Maximum Vacation Limit
0 – 9	120 hours	200 hours
10 – 19	160 hours	240 hours
20 – 29	200 hours	280 hours
30 or more	240 hours	320 hours

If you are a part-time employee, subject to the maximum vacation limit, you will be prorated per the table above based on your regularly scheduled work hours.

See Section B on page 2 for prorated awarded vacation in the initial year of hire.

**Important!**

Special rules apply to certain Heritage Conoco employees with Grandfathered Vacation.  
See Appendix A on page 6 for details.

**Maximum vacation limit**

If you do not use all of your vacation hours in a calendar year, you may carry over up to 80 hours of unused vacation to the next year. Your total available vacation cannot exceed the maximum vacation limit shown above. Any unused vacation remaining at the end of the calendar year in excess of 80 hours\* is forfeited. Here’s how it works:

- Betsey has been with the Company for seven years. She uses all of her vacation hours each year. Per the schedule above, she was awarded 120 hours of vacation on January 1.
- David has also been with the Company for seven years and was also eligible for 120 hours of vacation on January 1. However, he did not use all of his vacation hours last year and had 100 unused vacation hours as of December 31. Therefore, David will forfeit 20 hours. His carryover of 80 hours plus his 120-hour vacation award equals the 200-hour maximum vacation limit shown in the schedule above.

*\*The 80 hours of carryover may vary due to work schedules that are not 40 hours per week and/or 8 hours per day.*

**If you are on a special work schedule**

If you are on a special work schedule (e.g., 7/7, 14/14, 12-hour shifts, etc.), refer to your specific work location rules, collective bargaining agreement, work location time administrator or work location HR Business Partner (HRBP) to understand your annual vacation award, annual maximum vacation limit and see how your vacation hours are to be recorded in SAP.

**B. VACATION AWARD DURING YOUR FIRST YEAR OF EMPLOYMENT**

As a new employee, the number of vacation hours awarded to you during your first year of employment will be prorated based on your month of hire:

The prorated percentage is applied to Awarded Vacation based on your Vacation Eligibility Date (VED).

**If you are a new hire, rehire or experienced new hire ...**

Recognized Years of Relevant Experience		0 – 9	10 – 19	20 – 29	30 or more
Total Vacation Hours		120	160	200	240
Month of Hire/Rehire	Percent of Full Vacation	Prorated Vacation Hours			
January, February, March	100%	120 hours	160 hours	200 hours	240 hours
April, May, June	75%	90 hours	120 hours	150 hours	180 hours
July, August, September	50%	60 hours	80 hours	100 hours	120 hours
October, November, December	25%	30 hours	40 hours	50 hours	60 hours

**Rehired Employees**

Your VED will be determined in accordance with the U.S. Service Recognition Policy. Your Awarded Vacation in your year of hire will follow the new hire provisions above. If you are rehired in a calendar year for which you received pay-in-lieu of vacation, you are not eligible for vacation in that calendar year unless state or local paid leave laws require otherwise.

For example:

- Lynn was rehired in September with five years of recognized relevant experience. She received 60 prorated vacation hours for her first calendar year of employment per the schedule above.
- Bob was hired as an experienced new hire in May with 12 years of recognized relevant experience. He received 120 prorated vacation hours for his first calendar year of employment per the schedule above.

On January 1 of the next calendar year, subsequent vacation will be awarded as shown on page 1 in Schedule A. Continuing the examples and assuming no carryover:

- Lynn will be awarded 120 hours; and
- Bob will be awarded 160 hours.

**College Graduate Hires**

For college graduate new hires who participated in a ConocoPhillips co-op program or internship and are hired within 12 months of the termination date of the employee’s last work period, please refer to the U.S. Service Recognition Policy for further guidance on Service Period and VED.

## V. Vacation – Temporary Employees

Temporary employees with more than one year of continuous service with the Company will receive Awarded Vacation in a prorated amount based upon the average number of hours worked in the prior 12 months, as outlined on page 1 in schedule A, unless state or local laws require otherwise.

If you are a temporary employee:

- Unused vacation may not be carried forward to the next year.
- Your maximum vacation limit is equal to your eligible vacation for the current year.
- If you reach your one-year anniversary during the month of December, you will be allowed to take your vacation beginning December 1.

## VI. Administrative Guidelines

The following administrative guidelines apply to the Policy, unless state or local law requires otherwise:

1. Managers are responsible for the coordination and scheduling of all vacations in the work group:
  - Tentative vacation schedules should be developed early in the year to facilitate personal planning.
  - Management approval of individual vacation requests should take into consideration requirements of the combined workload in the work group as well as the convenience to the employee.
  - Priority for vacation dates is established by the manager of each work group. Managers should consider the length of service of the employees involved, individual responsibilities, continuity of workflow, relief personnel required, and the preference of employees.
  - There may be circumstances under which previously scheduled vacations may have to be postponed to accommodate operational requirements.
2. You may not take vacation unless prior management approval has been obtained.
  - An exception will be made if you are ineligible for 100% of pay with respect to your Short-Term Disability or Occupational Injury & Illness benefits and are still unable to return to work. If this applies to you, you are eligible to take vacation prior to or after exhausting your Short-Term Disability or Occupational Injury & Illness benefits of less than 100% of pay without prior management approval. This maximizes continuation of pay during a period when you are experiencing an absence due to a disability as defined in the ConocoPhillips Short-Term Disability Plan and Occupational Injury & Illness Supplemental Pay Policy.
3. If using paid leave provided by local leave laws, management approval may not be required, however, employees must provide reasonable notice for foreseeable absences and as soon as practically possible for unforeseeable absences.
4. Employees must record vacation in SAP timely.
5. When multiple Policy provisions apply, the provision with the greatest benefit to you applies.
6. Exempt employees must take vacation in full-day or half-day increments.\*
7. Vacation hours recorded in full-day or half-day increments are equal to your regularly scheduled work hours for that day (8, 9 or 12 hours, etc.).
8. Employees on a 9/80 work schedule should record time in SAP as follows:
  - Vacation days taken Monday through Thursday are considered to be 9 hours. A half-day vacation is recorded as 4.5 hours.
  - Vacation days taken on a working Friday are considered to be 8 hours. A half-day vacation is recorded as 4 hours.
  - Non-working Fridays don't count against your vacation days.

For example, Brian works a 9/80 schedule.

### Here's how Brian's vacation hours are recorded in SAP if he ...

Takes a vacation during a week with a WORKING Friday						
	Monday	Tuesday	Wednesday	Thursday	Friday	Total
Vacation Time Used	9	9	9	9	8	44
Takes a vacation during a week with a NON-WORKING Friday						
	M	T	W	Th	F	Total
Vacation Time Used	9	9	9	9	N/A	36

*\*Exempt employees may take vacation in less than half-day increments when substituting vacation hours for an approved unpaid Family Medical Leave absence or if required by state or local leave laws.*

## VII. Effects of Leaves of Absence on Vacation

Your vacation benefit may be affected by a leave of absence, as follows:

Type of Leave	Effect on Vacation
<b>Military Leave</b>	Vacation may be requested at any time during a Military Leave and will be paid without a deduction for military pay received. Military supplemental pay benefits will not be paid for any time you are on vacation.
<b>Short-Term Disability or Occupational Injury &amp; Illness</b>	If you are not at work on the last workday of the year due to a Short-Term Disability or Occupational Injury & Illness, you will receive Awarded Vacation on January 1 of the next calendar year based on your Vacation Eligibility Date (VED). The amount of Awarded Vacation on January 1 of the next calendar year will not be reduced because of your time off due to the Short-Term Disability or Occupational Injury & Illness.
<b>Disability Leave</b>	Vacation will not be paid to you while you are on a disability leave under the ConocoPhillips Disability Leave Policy. Before going on a disability leave of absence, you must use all available vacation greater than 80 hours.
<b>Family and Medical Leave</b>	You may run vacation concurrently with the Family and Medical Leave.
<b>Personal Leave</b>	If you are on a personal leave of absence at the end of a calendar year, you will receive Awarded Vacation for the next calendar year only upon your return from the leave. The amount of Awarded Vacation at the end of the leave will be based on your VED.

A few other provisions apply:

- You must complete a scheduled vacation before qualifying for paid leave benefits (except for a leave due to a Death in Immediate Family) as a result of events that occur during the vacation.
- If you are hospitalized while on vacation, you may elect to end your vacation on the day you enter the hospital. After leaving the hospital, your vacation may be rescheduled.
- While you are on your first year of an approved personal leave of absence, your VED will continue as normal for determining annual vacation eligibility. If you return from an approved personal leave of absence in excess of one year, your VED will be adjusted (i.e., move forward) by the amount of time in excess of one year that you remain on the approved personal leave.
- If an employee has exhausted any of the above-referenced leaves or absences, the Company reserves the right to apply the employee's available vacation time at its sole discretion.

## VIII. If You Transfer from a Different Vacation Policy

If you transfer from a different vacation policy of the Company, its subsidiaries and affiliates, your vacation benefits will be determined from your VED. You will be awarded vacation in a prorated amount based on your transfer date, using the schedule outlined on page 1 in Schedule A.

## IX. If You Are an Acquired Employee

If you are employed as a result of a merger, purchase, trade or other similar method of acquisition, your vacation benefits will be determined from your VED.

## X. If You Change Employment Status or Work Schedule

Your status or designated work hours on the last workday of the calendar year will determine your Awarded Vacation for the next calendar year.

Awarded Vacation for employees working greater than a 40-hour per week work schedule are determined based on local work rules.

### CHANGING FROM REGULAR FULL-TIME TO REGULAR PART-TIME

If your employment status changes from regular part-time to regular full-time, your vacation benefits will be based on Awarded Vacation for the current year. You will not lose any previous Awarded Vacation if you convert from regular full-time to regular part-time status during the calendar year.

For example:

- As a regular full-time employee, Terry had 120 hours of Awarded Vacation in January 2018. He had not used any of this vacation time.
- On April 1, he converted to regular part-time status, with a work schedule of 6 hours per day.
- Even though he is now working fewer hours, he is still entitled to his full 120 hours of unused vacation for the remainder of the calendar year.
- On Jan. 1, 2019, his Awarded Vacation will be based on his part-time status on Dec. 31, 2018, as outlined on page 1 in Schedule A.

## CHANGING FROM REGULAR PART-TIME TO REGULAR FULL-TIME

If your employment status changes from regular part-time to regular full-time, your vacation benefits will be based on Awarded Vacation for the current year. Additional Awarded Vacation will not be given if you convert from regular part-time to regular full-time status.

For example:

- As a regular part-time employee, Janet had 60 hours of Awarded Vacation in January 2018.
- She took 16 hours of vacation in May, leaving her with a balance of 44 hours of unused vacation.
- When she changed to regular full-time status in June, she was still entitled to her 44 hours of unused vacation. However, she did not receive any additional vacation.
- On Jan. 1, 2019, Awarded Vacation will be based on her status as a full-time employee on Dec. 31, 2018, as outlined on page 1 in Schedule A.

## CHANGING FROM INTERMITTENT TO REGULAR FULL-TIME OR REGULAR PART-TIME

If you convert from temporary to full-time or regular part-time status, you will receive Awarded Vacation as described on page 2 in *Section IV.B: Vacation Award During Your First Year of Employment* based on the date you converted to regular part-time or regular full-time status.

Please note that:

- If your Awarded Vacation as a temporary employee in the calendar year of your conversion is higher, you will keep that higher award.
- On January 1 of the following calendar year, your Awarded Vacation will be based on your employment status on the preceding December 31, as outlined on page 1 in Schedule A.

## XI. Holiday During Vacation

When a Company-designated holiday occurs while you are on vacation, the following will apply:

### If You Are a Non-Exempt Employee

If the holiday falls on ...	Here is how you will be paid* ...
Your scheduled working day	You will receive double time (holiday pay and vacation pay) for the day.
Your scheduled working day, but you are NOT required to work	You will receive holiday pay only. You will not be charged for vacation for the recognized holiday.
Your regularly scheduled day off	You will receive holiday pay only.

*\*For purposes of this provision, pay is based on the straight-time rate of your regular work classification for normally scheduled hours, exclusive of any shift differential.*

Employees should refer to their local pay practice, work location time administrator or work location HRBP to understand how to record time in SAP.

### If You Are an Exempt Employee

If you take vacation during a period containing a Company-designated holiday, you will not be charged for vacation for the holiday.

For example, Linda is an exempt employee who works a regular 40-hour, 5-days/week work schedule. If she takes vacation during Labor Day week:

- Labor Day would be a paid holiday; and
- The remaining hours in the work week would be recorded as vacation.

## XII. Pay in Lieu of Vacation

### A. EARNED VACATION

While Awarded Vacation is provided on January 1 of each calendar year, Earned Vacation is based on a prorated schedule as detailed below.

#### Schedule B – Annual Earned Vacation Schedule

January 1 – March 31	25% of the annual award
April 1 – June 30	50% of the annual award
July 1 – September 30	75% of the annual award
October 1 – December 31	100% of the annual award

Note: If you terminate during the calendar year, your Earned Vacation is based on your employment end date.

## B. TERMINATION OF EMPLOYMENT

Termination Reason	Pay in Lieu of Vacation
One of the following: <ul style="list-style-type: none"><li>• Termination for cause</li><li>• Voluntary resignation and not Retirement Eligible</li></ul>	You will receive a lump-sum payment in lieu of all carryover and Earned Vacation less used vacation during the calendar year. If you use more vacation than the sum of your carryover and Earned Vacation, you will not receive a lump-sum payment.
One of the following: <ul style="list-style-type: none"><li>• Death</li><li>• Layoff</li><li>• Disability</li><li>• Retirement Eligible and not in a termination for cause situation</li><li>• Terminate employment with the Company and continue employment with an employer in which the Company directly or indirectly owns a 5% or more equity interest (an affiliate company)</li></ul>	You will receive a lump-sum payment in lieu of all unused carryover and Awarded Vacation for the current calendar year.

Note: If you use more vacation in a calendar year than your carryover and Earned Vacation, you will not receive a payment in lieu of vacation, nor will you be required to repay vacation time used in excess of the total of your carryover plus Earned Vacation.

For example:

Anna had been with the Company for six years when she terminated her employment in Q1. She had 80 hours of carryover vacation.

- Her Earned Vacation is 30 hours, 25% of the 120 hours awarded in the current calendar year.
- She used 40 hours of vacation before terminating.
- She will receive 70 hours of pay in lieu of vacation (80 hours carryover plus 30 hours Earned Vacation equals 110 hours, minus the 40 hours used).

John had been with the Company for three years when he terminated his employment in Q3. He had 10 hours of carryover.

- His Earned Vacation is 90 hours, 75% of the 120 hours awarded in the current calendar year.
- He used 110 hours of vacation before terminating.
- He will not receive a pay in lieu of vacation payment because his carryover and Earned Vacation is less than his used vacation (10 hours of carryover plus 90 hours Earned Vacation equals 100 hours, which is less than the 110 hours used).

Note: If you are Retirement Eligible (at least age 55 and five years of Company service) and you are not in a layoff or termination-for-cause situation, you may elect to take unused vacation in order to extend your employment end date.

## C. ACTIVE EMPLOYEES

If you are an active employee, you will not be eligible to receive pay in lieu of vacation unless approved by the Vice President, Human Resources or unless otherwise covered by another applicable Company policy (e.g., an applicable Rotator Policy).

## XIII. Appendix A (Heritage Conoco Employees)

Heritage Conoco Employees with Grandfathered Vacation will receive the following:

- Awarded Vacation on January 1 for current year based on your VED.
- Grandfathered Vacation – Applies only if you had more than 80 hours in your vacation bank at the time of the Conoco and Phillips merger in 2003. This Grandfathered Vacation includes two pieces, the 80 hours carryover and any banked vacation you had at that time in excess of 80 hours.
- Since Grandfathered Vacation already includes the 80 hours carryover, employees with Grandfathered Vacation should use all Awarded Vacation each year. Awarded Vacation will be subject to the maximum vacation limit shown on page 1, column 3 of Schedule A.
- For any vacation time used in excess of your eligible hours of vacation (as shown on page 1, column 2 of Schedule A) for a particular year, there is a corresponding decrease in your excess Grandfathered Vacation. Once your excess Grandfathered Vacation bank is reduced, it cannot be increased again.
- Upon termination of employment, you will receive a lump-sum payment in lieu of any unused Grandfathered and Awarded Vacation subject to the rules on page 6 in *Section XII.B: Termination of Employment*.

## Questions

If you have questions, contact [HR Connections](#) or your local HRBP. For immediate assistance, call 1-877-812-7547.

The Company establishes programs, policies and procedures appropriate to the business needs and requirements of its various operations and organizations (the "Policies"). Different Policies than those shown here may apply to subsidiary company employees based on business needs, local customs, contractual agreement, or legal requirements. The Company reserves the right to change, amend, or terminate any of the Policies at any time, without notice, subject to applicable law and/or the terms of any applicable collective bargaining agreement or contract. The information provided is not intended to supersede applicable local, state or federal law or the terms or provisions of any current collective bargaining agreement. In the event of conflict, the law or collective bargaining agreement shall prevail. If there are any discrepancies or conflicts between this information and the terms of the official Policies or any underlying insurance contracts, the official Policies and insurance contracts will control your actual benefits. Employees should confirm that the Policies accessed here apply to them and/or their organization before taking any actions.