ConocoPhillips

Domestic Temporary Assignment Policy

For questions regarding this policy you may contact:
The Relocation Center at 1-800-267-7573
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Introduction

Policy Purpose

The purpose of the temporary assignment policy is to assist you with the expenses incurred in maintaining temporary living away from your primary work location. The expectation is that you will return to the primary work location after the completion of your temporary assignment. A typical temporary assignment is expected to be less than 12 months in length.

For any assignment intended to be less than 6 months in duration, management may want to consider a normal business trip. For any assignment intended to be more than twelve (12) months in duration, management may want to consider the regular transfer policy, as it may be more cost effective.

Note: The Company reserves the right to administer, interpret, revise, or terminate any or all of the provisions of this policy. This policy shall not be considered or construed as an employment contract.

Eligibility

This policy covers regular full-time employees on temporary and extended temporary assignments in the 48 contiguous states and Alaska.

Definitions

Accompanied Status - Temporary assignment or extended temporary assignment where the family members are approved, by management, to accompany the employee.

Daily Living Allowance (DLA) - A per diem paid to an employee on a temporary assignment to cover living expenses at the temporary location. DLA expenses include furnished housing, utilities, and meals and incidentals.

Extended Temporary Assignment - A temporary assignment which management anticipates will extend beyond 12 months. A temporary assignment becomes an extended temporary assignment at the time the Company reasonably expects the assignment to extend beyond 12 months. Any monies paid to the employee on this type of assignment are fully taxable and typically tax-assisted.

Family - Employee's spouse and children (unmarried children under age 19 living with and dependent upon employee.) It may also include:

- Full-time students under age 25 who maintain their permanent residence at the home of the employee
- Legally adopted children
- Children under legal guardianship of employee and/ or employee's spouse
Introduction

**Nomadic Assignment** - An assignment that is temporary in duration, however, the employee has no primary home or work location. These assignments are administered under the Temporary Assignment Policy, as an extended temporary assignment. Any monies paid to the employee on this type of assignment, regardless of the length of the assignment, are fully taxable.

**Primary Residence** - A residence that the employee owns and occupies as his/her principal residence.

**Relocation Consultant (Consultant)** - The individual at the Relocation Management Company assigned to administer the temporary assignment policy.

**Relocation Services** - The ConocoPhillips business unit that manages the administration of all Relocation Policies.

**Relocation Management Company** - A service partner retained by the Company to administer our relocation policies, including home sale services to relocating and temporary assignment employees.

**Tax-Assisted** - Refers to the process by which an employer makes payments on behalf of an employee to the various authorities for federal and state income and FICA taxes. It is designed to help the employee in covering the additional tax burden incurred due to the fact that most relocation payments are treated as taxable income to the employee. These payments, which are also considered income, may pay for all or part of the additional taxes incurred.

**Temporary Assignment** - An assignment intended to be less than 12 months in duration where the employee maintains his/her primary residence in the primary work location. All expenses paid to the employee are non-taxable.

**Unaccompanied Status** - Temporary assignment or extended temporary assignment in which only the employee moves to the temporary assignment work location.

**Residence Requirement**

While on temporary assignment you must maintain a primary home residence at the old work location. If you relocate your primary home residence to the temporary assignment location or do not maintain a primary residence at the primary work location, you will become ineligible for expense reimbursements and/or DLA under this policy.

Employees on nomadic assignments are not required to maintain a primary home residence.
Introduction

Policy Administration and Assistance

The Company has retained the services of a Relocation Management Company, GMAC Global Relocation Services, Inc., to guide and assist you with your temporary assignment benefits. The Relocation Management Company, at the direction of ConocoPhillips Relocation Services, will administer your temporary assignment.

Transfer Initiation

Following the closure of the merger transaction between Phillips and Conoco, and your acceptance of a temporary assignment offer, your benefits for that assignment may be initiated under the terms of this policy by your contacting the Relocation Center at 1-800-267-7573.
Assignment Provisions

Daily Living Allowance or Housing Assistance

You will receive a Daily Living Allowance (DLA) to cover lodging, utilities, meals and incidentals. The DLA is based on:

- Furnished apartment
- Geographic location
- Monthly rates

If your family accompanies you on the temporary assignment, the DLA will be increased depending on family size. Approval must be obtained in advance from management for an accompanied assignment.

The lodging portion (only) of the DLA will continue during trips away from the temporary assignment location; the meals and incidental per diem will not be paid. If the Company provides the lodging, you will receive only a meals and incidental per diem which will not continue during trips away from the assignment location. Lease cancellation will not apply under this policy.

Taxable payments are tax-assisted.

Home Visitation

Provided a home is maintained at the primary work location, you will be reimbursed for home visitation as follows:

- Unaccompanied Assignment – travel home every other weekend
- Accompanied Assignment – travel home once a month
- Alaska Assignment (unaccompanied or accompanied) – travel home once a month

It is anticipated that the corporate shuttle will be used where available.

Management at the temporary assignment location must approve all home visitation as described above. There may be conditions under which trips will not be approved due to work requirements. A family member may be approved for travel to the temporary assignment location in place of your trip home to your regular work location.

If a home is not maintained at the primary work location, you forfeit any Company-paid visitation trips.

Transportation While on Temporary Assignment

You are expected to provide your own transportation while on the temporary assignment unless management approves a rental car at the assignment location.
Expense Processing

Your Consultant at GMAC will process both the expenses to get you to the temporary assignment location as well as the monthly per diem payments. They will provide you with the appropriate expense reimbursement forms.
Travel Expenses To and From Temporary Assignment Location

Miscellaneous Expense Allowance

You will receive a miscellaneous expense allowance in the amount of $500 to cover expenses such as telephone and television hook-ups, driver’s license, utility deposits, etc. The payment is tax-assisted.

Home-Finding

You will be reimbursed for one trip not to exceed 4 days/3 nights (employee only for unaccompanied; employee and spouse for accompanied). Covered expenses include:

- Transportation
- Lodging
- Car rental, if applicable
- Meals and incidental per diem
- Childcare, if applicable -- $75/day for 1 child plus $40/day for each additional child up to a maximum of $155/day
- The reimbursement will be tax-assisted

Temporary Living

You will be reimbursed for temporary living expenses for up to 14 days less time spent on home-finding trip (employee only for unaccompanied; employee and family for accompanied). The combined total number of days reimbursed for home finding and temporary living may not exceed 14 days. Covered expenses include:

- Lodging
- Meals and incidental per diem
- The reimbursement will be tax-assisted

Travel to New Location

In-transit travel expenses are reimbursed for you and eligible members of your immediate household for the shortest most direct route available from your primary work location to your temporary assignment location. All expenses are covered on the basis of traveling a reasonable distance each day, minimum 400 miles. If assignment is accompanied, expenses are also covered for family members.

It is anticipated that the corporate shuttle will be used where available.
Travel Expenses To and From Temporary Assignment Location

Covered Expenses

- Mileage for one vehicle per licensed driver (maximum of two), plus tolls and parking, if driven rather than shipped.
- A one-way coach airline ticket if the distance between the old location and new location is greater than 600 miles and vehicle(s) are shipped.
- Lodging (receipts required) for the last night at the old location, en route, and the first night at the new location.
- Meals and incidental per diem (incidental expenses include telephone, tips, newspapers, movies, etc.):
  - $30/adult/day
  - $15/child/day - (12 and under)

Travel to the temporary assignment location and lodging enroute expenses are not taxable and are not included in your taxable income. Meals and incidental per diems are considered taxable and will be tax-assisted.

Shipment of Household Goods

You will be allowed to ship a light household shipment. The allowance is indicated below:

- Unaccompanied – 1600 lbs.
- Accompanied – 2700 lbs.

In addition to the above allowances, if the distance from your primary work location to your temporary assignment location is greater than 600 miles you will be allowed to ship one vehicle if you are not provided a vehicle at the assignment location.

Shipments are made to the temporary assignment location and back to the primary residence at the conclusion of the temporary assignment.

You should not contact or make a commitment to any carrier. When the moving time is known, you should notify your Consultant. Your Consultant will make arrangements for a moving company to contact you to schedule packing and loading dates. You are encouraged to schedule packing, loading, and delivery on weekdays.

Storage

Storage of household goods may be provided as appropriate with prior management approval.
Conclusion of Assignment

When you return to your primary residence at the conclusion of your temporary assignment, the Company will provide the following assistance per this policy:

- Return travel to the primary work location
- Shipment of household goods
- Miscellaneous expense allowance -- $500
Tax Assistance

Purpose

It is the intent of the Company to keep you reasonably whole with respect to tax liabilities for federal, state, and local taxes incurred on tax-assisted reimbursements during your temporary assignment. This assistance is based on Company income without consideration of any additional outside sources of income except that of a spouse who is also employed by the Company.

Regarding the actual compensation (salary, VCIP, RSU lapsing, RSU dividends, Stock Option exercise), the Company will reimburse you for state income taxes exceeding the income taxes which would be payable in the state of primary residence after considering the total impact on federal income taxes. This tax protection will be provided monthly.

Excess FICA Tax Assistance

*All taxable expenses are subject to FICA.* You will pay FICA-OASDI on all taxable per diem payments and/or taxable expenses for travel to and from the temporary assignment location. At year-end, FICA-OASDI reconciliation will be done. If you have incurred additional taxes due to Company reimbursement of temporary assignment expenses, you will be reimbursed for the major portion of the excess FICA taxes through additional federal tax assistance.

Tax Reporting

The Company will prepare a final summary of your temporary assignment expenses at the end of each year and send to you. This document will outline in detail all reimbursements including tax assistance paid by the Company. However, we strongly recommend that you consult a tax advisor to determine the effect on your personal income tax liability.