Pension Plan for Hourly Employees of Phillips Fibers Corporation

Title V of the ConocoPhillips Retirement Plan

Effective Jan. 1, 2015
Pension Plan for Hourly Employees of Phillips Fibers Corporation

(Title V of the ConocoPhillips Retirement Plan)

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This is the Summary Plan Description (SPD) for the Pension Plan for Hourly Employees of Phillips Fibers Corporation, Title V of the ConocoPhillips Retirement Plan (Plan). If there is any conflict between this SPD (or other administrative materials) and the official Plan documents, the official Plan documents will govern. ConocoPhillips Company (Company) reserves the right to amend or terminate any plan at any time, at its sole discretion. Nothing in this SPD creates an employment contract between the Company or its subsidiaries and affiliates and any employee.
Preliminary Information

What is this Booklet About?

This booklet is the Summary Plan Description (“SPD”) of the Pension Plan for Hourly Employees of Phillips Fibers Corporation (referred to in this booklet as “Title V”), which is part of the ConocoPhillips Retirement Plan (“Plan”). The Pension Plan for Hourly Employees of Phillips Fibers Corporation was merged into the Plan at the end of 2008 and thus became Title V of the Plan. The booklet is a summary of the major provisions of Title V and the Plan and was written to help you understand your Title V benefit and what it can do for you.

Although your basic rights and those of ConocoPhillips Company are explained in the following pages, this booklet does not contain every detail and technical aspect of the Plan which are addressed in the comprehensive official Plan text. ALL RIGHTS AND OBLIGATIONS OF THE COMPANY AND TITLE V PARTICIPANTS ARE GOVERNED BY THE OFFICIAL TEXT OF THE PLAN. IN THE CASE OF ANY INCONSISTENCY BETWEEN THE OFFICIAL PLAN TEXT AND THIS BOOKLET, THE OFFICIAL PLAN TEXT WILL CONTROL. This booklet is only a summary description of that official text.

Contact Information

Contact the ConocoPhillips Benefits Center if you have questions about Title V, the ConocoPhillips Retirement Plan or for any other Title V or ConocoPhillips Retirement Plan-related business.

<table>
<thead>
<tr>
<th>Contact/Address</th>
<th>Phone</th>
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</thead>
<tbody>
<tr>
<td>ConocoPhillips Benefits Center</td>
<td>(800) 622-5501 or</td>
</tr>
<tr>
<td>P.O. Box 64057</td>
<td>(718) 354-1344</td>
</tr>
<tr>
<td>The Woodlands, TX 77387-4057</td>
<td>8:00 a.m. to 6:00 p.m.</td>
</tr>
<tr>
<td></td>
<td>Central Time, Monday-Friday</td>
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</tbody>
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Web:

- Visit hr.conocophillips.com to view benefit plan summaries and information.
- Visit Your Benefits Resources (YBR) through HR Express at https://digital.alight.com/conocophillips to view pension, retirement planning and personal information.
**Introduction**

The Pension Plan for Hourly Employees of Phillips Fibers Corporation is one part—called Title V—of the ConocoPhillips Retirement Plan. This booklet describes benefits available under Title V of the Plan to regular employees of Phillips Fibers Corporation (sold to Amoco Fabrics and Fibers Company on Oct. 22, 1993) who were paid on an hourly basis and who are participants in Title V. This edition of the booklet is current as of Jan. 1, 2015.

The ConocoPhillips Retirement Plan as a whole includes the following sections:

- Main Title
- Phillips Retirement Income Plan—Title I
- ConocoPhillips Cash Balance Account—Title II
- Tosco Pension Plan—Title III
- Retirement Plan of Conoco—Title IV
- Pension Plan for Hourly Employees of Phillips Fibers Corporation—Title V
- Burlington Resources Inc. Pension Plan—Title VI
- ConocoPhillips Store Retirement Plan—Title VII
- Tosco Corporation Pension Plan for Union Employees Formerly Employed by Monsanto Company—Title VIII

The term “Company” as used in this booklet means ConocoPhillips Company.

This SPD covers the provisions of the Main Title and Title V, and we refer to this set of provisions as “Title V” to avoid confusion with other provisions of the Plan as a whole. Separate SPDs describe the other Titles of the Plan.

The ConocoPhillips Retirement Plan, including all its Titles, is a single defined benefit plan intended to be qualified under section 401(a) of the Internal Revenue Code of 1986, as amended, and to satisfy the requirements of the Employee Retirement Income Security Act of 1974 (ERISA), as amended.
What Are the Highlights of Title V and the Plan?

Here are the highlights of your Title V:

- **Eligibility** – In general, if you were a regular employee prior to Oct. 22, 1993, you became eligible to participate in Title V after you completed a year of employment in which you worked 1,000 or more hours.

- **Contributions** – The Company pays the entire cost of your benefit; contributions from you are not allowed. The Company is required to make adequate contributions to the Plan to pay for benefits under the Plan that are not funded under insurance contracts. Each year, an actuary determines how much the Company should contribute to the Plan so that it complies with funding requirements under the law.

- **Retirement Benefits** – Title V can provide you a monthly income for life when you retire. At Normal Retirement Date, your monthly benefit is computed by the formula: $12 X Years of Credited Service.

- **Normal Retirement Date** – This is the first day of the month coinciding with or next following your 65th birthday. For example, if you are 65 on March 1, your Normal Retirement Date is March 1. If you are 65 on March 5, then April 1 is your Normal Retirement Date. You may qualify for retirement benefits as early as your earliest Early Retirement Date if you have completed at least five (5) Years of Vesting Service. Your Early Retirement Date can be the first of any month in the 10 years before your Normal Retirement Date.

- **Death Benefits** – If you die before or after retirement, Title V can provide monthly income to your surviving spouse.

**Participation**

How Did I Join Title V?

Your participation was automatic on the day you became eligible to participate.

You became eligible to participate in Title V on the first day of the month following a Year of participation service, if at that time you worked for Phillips Fibers Corporation on the direct payroll as a **regular employee**. A “regular employee” was a person who worked a regular schedule for an indefinite period; it did not include temporary or intermittent employees, or any person providing services under contract, whether or not determined to be a “common law” employee or independent contractor of Phillips Fibers Corporation.
You must have completed at least 1,000 “Hours of Service” in a “Year”. Your first Year of service was your initial twelve-month period of employment. Future Years began on the first day of the month in which the anniversary of your initial hire date occurred (or rehire date, following a Break in Service). If you completed less than 1,000 Hours of Service in your first 12 months, you became eligible if you completed 1,000 Hours of Service during a future Year.

If you were an hourly employee of Phillips Fibers Corporation prior to July 1, 1989, but you were not participating in the Prior Plan (as defined below), you became eligible for this Plan and participated automatically on the day you became an hourly paid employee of Phillips Fibers Corporation.

If you were participating in the Pension Plan for Hourly Employees of Phillips Fibers Corporation, as in effect on Dec. 31, 1975 (the “Prior Plan”), your participation automatically continued under this Title V, effective Jan. 1, 1976.

After Oct. 22, 1993, only participants who commenced participation prior to that date were eligible to participate. No one may become a participant after Oct. 22, 1993, except as a beneficiary.

A “Year” means the period beginning on your initial hire date, or rehire date if you had a Break in Service (see ‘VESTING – Could I Lose or Have Lost Benefits?’ on page 14), and ending on the first anniversary of that date. After your initial year of employment (or re-employment), a Year means consecutive 12-month periods ending on the first day of the month in which the anniversary of your hire date (or rehire date if you had a Break in Service) occurs.

An “Hour of Service” is an hour that you actually work, or for which you are entitled to be paid, such as vacations and holidays.

Examples of Eligibility for Persons Hired on or After July 1, 1989

- Jan was hired on Aug. 6, 1989, and completes 1,000 Hours of Service through Aug. 5, 1990 (the end of her first Year). She was therefore eligible to participate on Aug. 1, 1990 (the first day of the Year following the Year in which she completed 1,000 Hours of Service).
- Jim was hired on Aug. 6, 1989, but completes only 900 Hours of Service through Aug. 5, 1990. He was therefore not eligible to participate on Aug. 1, 1990. Jim’s second Year (based on the above definition of “Year”) was from Aug. 1, 1990 through July 31, 1991. Jim did complete 1,000 Hours of Service between these two dates; thus he was eligible to participate on Aug. 1, 1991 (the first day of the Year following the Year in which he completed 1,000 Hours of Service).
Retirement Benefits

When Can Retirement Benefits Start?

Benefits under Title V can commence only after you have reached age 55.

If your birthday is on the first day of the month, your “Normal Retirement Date” is your 65th birthday. If your birthday is not on the first day of the month, your Normal Retirement Date is the first day of the month following your 65th birthday.

Prior to April 1, 2001, you were required to meet all of the following:
- Have a vested benefit in Title V;
- Have been age 55 or older as defined in Title V;
- Request, complete and submit all documentation by the deadlines required by Title V or Plan administrative policy;
- Have ended employment with Amoco Fabrics and Fibers Corporation or any successor employer.

Effective for commencements on or after April 1, 2001, the above requirement that one has ended employment with Amoco Fabrics or Fibers Corporation or any successor employer was removed from the Title V provisions. All the other requirements remain.

If you start receiving retirement benefits under Title V after your earliest Early Retirement Date (age 55), and then resume employment with the Company, you retain any interest in this Title V accrued to Oct. 22, 1993. You will not, however, accrue any additional benefits under Title V during your re-employment period.

How Do I Commence Benefits?

Before you can start benefits, you must:

- Request a benefit commencement packet by no later than the 15th of the month before your requested commencement date. You also must complete and return all forms/documents required for commencement as per the deadlines prescribed per Title V provisions or Plan administrative policy no more than 180 days before your requested commencement date. You are strongly encouraged to initiate the commencement process approximately 60-90 days before your desired commencement date; and
- Have a vested benefit.

To begin the commencement process, contact the ConocoPhillips Benefits Center using the contact information found in the Contact Information box on page 3 of this booklet.
What Are My Benefits on or After Normal Retirement?

Your benefit depends on your Credited Service and when your Credited Service was earned.

If your benefits start on or after your Normal Retirement Date, your monthly retirement benefit will be:

$$12 \times \text{Years of Credited Service}^*$$

This benefit may be reduced if you want a benefit to continue to your spouse upon your death.

* Different formulas apply to participants whose employment terminated prior to Jan. 1, 1989. Benefit amounts for those participants were furnished at the time of termination, and a copy of those statements can be obtained by writing the Benefits Committee. Benefit amounts for participants receiving benefits will continue in the same amounts and form currently in effect. Also, no Credited Service is accrued after Oct. 22, 1993.

Your Credited Service will be calculated as follows:

<table>
<thead>
<tr>
<th>Time Period</th>
<th>Hours of Service Completed in a Year</th>
<th>Years of Credited Service Completed in that Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Before Jan. 1, 1976</td>
<td>Less than 600</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>600 or more, but less than 1200</td>
<td>1/2</td>
</tr>
<tr>
<td></td>
<td>1200 or more</td>
<td>1</td>
</tr>
<tr>
<td>Jan. 1, 1976 to Dec. 31, 1986</td>
<td>Less than 600</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>600 or more, but less than 1000</td>
<td>1/2</td>
</tr>
<tr>
<td></td>
<td>1000 or more, but less than 1200</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Less than 1000 due to hire, rehire, or retirement</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>1200 or more</td>
<td>1</td>
</tr>
<tr>
<td>Jan. 1, 1987 to Oct. 22, 1993</td>
<td>Less than 1200</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>1200 or more</td>
<td>1</td>
</tr>
</tbody>
</table>

For the period before Jan. 1, 1976, a “Year” means calendar year (January – December).
For periods Jan. 1, 1976 and later, a “Year” means the period beginning with your initial hire date, or date of rehire, whichever is later, and ending with the first anniversary of the initial hire date or rehire date, as applicable. After your initial year of employment (or re-employment), a “Year” means 12-month periods ending on the first day of the month in which your anniversary hire date (or rehire date if you had a Break in Service) occurs.

If you were hired on or after July 1, 1989, even though you had to wait at least a Year and complete 1,000 Hours of Service before participating in the Plan, you will still receive one Year of Credited Service for that first Year in which you completed 1,000 Hours of Service. This Year of Credited Service will be considered “earned” as of the day you satisfied the eligibility requirements and began participation. Periods after Oct. 22, 1993 are not counted as Credited Service.

Periods for which you received a distribution of funds from Title V or have been provided a deferred retirement annuity are not counted as Credited Service.

**What Happens If I Retired Early?**

If you retired early, that is, you terminated from Amoco Fabrics and Fibers or any other successor employer during the 120-month period before your Normal Retirement Date, your benefit amount will be based on your Credited Service and how many months early you start your benefit payments.

No participants remain employed with any successor employer. Based on information provided by successor employers (Amoco Fabrics and Fibers, BP Amoco Fabrics and Fibers and Propex, Inc.), the termination date for all participants who remained with Amoco Fabrics and Fibers after Oct. 12, 1993 and other successor employers has been determined.

Your monthly benefit is figured using the same formula that is used in calculating normal retirement benefits, except there is a reduction of 5/12 of 1% for each month you retire before age 62 (this equals 5% per year). For example, if you were eligible for a monthly benefit of $300, and you chose to start retirement payments at age 60 (2 years early), you would receive $270 ($300 minus 10% of $300).

The reduction is to account for your receiving more payments than if you began receiving payments at age 62.

Your benefit will be further reduced if you choose a joint and survivor annuity option that will provide a survivor’s annuity to a person you designate.
If you are eligible and retired early, you can delay the start of Plan payments, but not beyond your Normal Retirement Date. In the event you start benefits at age 62 or later, no early retirement reduction will be made.

**What If I Terminated My Employment Before My Earliest Retirement Age?**

If you are vested and you terminated before your earliest retirement age (generally age 55), your monthly benefit will be reduced by 0.5% for each month that you start your benefit before age 65. This reduction is equal to 6% per year. For example, assume you were to terminate at age 50, were eligible for a monthly benefit of $300 at age 65, and chose to start retirement payments at age 61 (4 years before age 65). Your $300 benefit would be reduced by 24% (4 years x 6% per year), thus you would receive $228 per month ($300 minus 24% of $300).

**May I See Examples of Plan Benefit Calculations?**

One of the best ways to see how Title V can help you is to look at examples.


Assume Jim has exactly 23 Years of Credited Service in Oct. 1993, when Amoco Fabrics and Fibers Company (Amoco) purchased Phillips Fibers Corporation.

Jim’s monthly benefit at Normal Retirement Date (March 1, 2003) from the Plan was:

\[ $12.00 \times 23 \text{ years} = $276.00 \text{ a month} \]

If Jim terminated from Amoco Fabrics and Fibers Corp. or other successor employer before his 55th birthday, and elected to start retirement benefits at age 60, Jim’s Normal Retirement Benefit of $276.00 would be reduced by 0.5% for each month he started benefits before age 65 (6% per year); that is, 30% total reduction (6% x 5 years early start). Thus his age 60 benefit would be:

\[
\begin{align*}
$276.00 \text{ Age 65 monthly benefit} \\
- 82.80 \ ($276.00 \times 30\% \text{ early receipt reduction}) \\
= $193.20 \text{ Age 60 monthly benefit}
\end{align*}
\]
Instead, if Jim terminated from Amoco Fabrics and Fibers Corp. or other successor employer after his 55th birthday, and elected to start his retirement benefits at age 60, his Normal Retirement Benefit of $276.00 would be reduced by only 5/12 of 1% for each month (5% per year) he started before age 62 (versus age 65 as shown above). That creates only a 10% total reduction (5% x 2 years). Thus his age 60 benefit would be:

\[
\begin{align*}
\text{Age 65 monthly benefit} & = 276.00 \\
\text{Early receipt reduction} & = 27.60 \quad (276.00 \times 10\% \text{ early receipt reduction}) \\
\text{Age 60 monthly benefit} & = 248.40
\end{align*}
\]

What Forms of Benefit Payments Are Available?

Two Forms of Payment

Your monthly benefit can be paid in either of two forms: regular monthly payments for your lifetime, or as a joint and survivor annuity.

- **Lifetime Monthly Annuity** payments are made for your lifetime only. No additional payments are made to anyone after your death. Unless you retire early, this form of benefit requires no reduction from the formula you use to figure your retirement benefit.

- **Joint and Survivor Annuity** payments are made for your lifetime, and after you die, for the lifetime of your designated survivor annuitant. Your “designated survivor annuitant” is a person chosen by you to receive a chosen percentage of your monthly retirement income after your death if that person survives you. You designate the percentage (limited to 100%, 75%, 66 2/3%, 50%, 33 1/3% or 25%) of your monthly retirement income to be continued to your designated survivor annuitant at the time you elect to receive a joint and survivor annuity. Payments to you are lower than with the lifetime monthly payments. This is to provide for the survivor annuity payments continuing beyond your death.

Automatic Form of Payments

The automatic form of payment under Title V depends upon your marital status at the time your benefits start. To be considered “married” under Title V, you must be married on the date your benefits start.

If you are not married when benefits start, you will automatically receive lifetime monthly annuity payments unless you elect an optional form of joint and survivor annuity.

If you are “married”, payment will automatically be made in the form of an annuity which provides a reduced lifetime monthly income for you, and upon your death, provides a lifetime monthly income for your spouse equal to one-half of the monthly amount you were receiving, unless you elect otherwise and have your spouse’s written approval. This annuity is referred to as a “spousal joint and 1/2 survivor annuity.”
If you do not want to receive payment in the form of a spousal joint and 1/2 survivor annuity, you must obtain your spouse’s written witnessed consent (in a manner consistent with Title V provisions and Plan administrative practice and provide such within the 180-day election period before your benefit starts) indicating that you have decided NOT to take the spousal joint and 1/2 survivor annuity. During the election period, you may elect one of the other forms of payment available to participants if you elect NOT to receive the spousal joint and 1/2 survivor annuity. Your spouse’s written consent must be witnessed by a Notary Public, and your spouse must also consent to the optional form of payment you select. You may change your decision and make another election if you do so within specified time periods as provided on commencement forms/documents provided to you.

**Automatic Lump-Sum Payments for Small Benefits**

Effective Oct. 1, 2013, the dollar threshold for automatic payment as a lump sum of the vested benefit of an employee who terminates employment is increased to $5,000. Participants will be notified of the payment options prior to distribution. If a participant fails to respond to the distribution notice, and the benefit amount is greater than $1,000 but equal to or less than $5,000, the benefit will be automatically rolled over to an IRA. The IRA will be established in the participant’s name and will be invested in an investment product designed to preserve capital and provide a reasonable rate of return and liquidity. All expenses of the IRA will be charged against the IRA account. You can contact the ConocoPhillips Benefits Center for additional information regarding automatic rollovers.

**Other Rules on Forms of Payments**

Prior to your retirement commencement date, you will receive a description of the terms and conditions of the spousal joint and 1/2 survivor annuity, the election period, a description of the other available forms of payment, and a general description of the financial effect of not choosing the spousal joint and 1/2 survivor annuity.

Prior to your commencement date, you must elect the form in which your benefit will be paid. The election must be made within the 180-day period prior to your commencement date. You must be alive on your commencement date for an election to be effective. You may revoke your election if you do so within specified time periods as provided on commencement forms/documents provided to you. You should choose your form of benefit after careful consideration. You are strongly encouraged to seek professional advice.

If you elect a joint and survivor annuity and either you or your designated survivor annuitant dies before the date benefit payments are to begin, the election to receive the joint and survivor annuity will not be effective.
Once your benefits have started under a joint and survivor annuity election, if your designated survivor annuitant dies before you do, you will continue to receive the same reduced monthly payments as before your designated survivor annuitant’s death. The reduction in your payment to provide the survivor’s annuity will **NOT** be restored. Also, your designated survivor annuitant (spouse or other such designated person) cannot be changed after commencement of your benefit begins.

**Survivor Benefits**

**What Happens If I Die Before Retirement?**

If you have been married for at least 12 months to the same spouse and are vested at the time of your death, you have pre-retirement death benefit coverage that will protect your spouse between the time you become vested and the time you are eligible to start your benefits. Your spouse will be entitled to receive this death benefit at the times described below.

Your spouse will receive a pre-retirement survivor’s annuity based on the amount of the benefits payable at age 65, that you earned up to the earlier of your termination of employment or date of death. A reduction will be made to your age 65 benefit to recognize the payment of a survivor’s annuity, and a further reduction made if your spouse elects to start benefits before your normal retirement age.

If you die **after** your earliest Early Retirement Date (normally age 55) and your spouse elects to start benefits immediately, your spouse will receive **one-half** the monthly payment you would have received under the Joint and 1/2 Survivor Annuity Option as if you had started benefits on the first of the month after your death. If you die **before** your earliest Early Retirement Date, and your spouse elects to start benefits at the earliest possible date (the date you would have attained age 55), your spouse will receive **one-half** the monthly payment you would have received under the Spousal Joint and 1/2 Survivor Annuity Option as if you had lived to your earliest Early Retirement Date, and retired on that date.

Your surviving spouse can elect to defer the start of benefits to as late as your normal retirement age instead of starting payments at the earliest possible date. The amount of the survivor’s annuity may be reduced based on the number of months prior to your normal retirement age that your spouse’s survivor annuity begins. The reduction that applies, if any, is the same reduction that would be made if you had lived to start benefits on the same date as elected by your surviving spouse.
**Vesting**

**When Were My Benefits Vested?**

You earned the right to receive benefits from the Plan through your Years of Vesting Service and participation in Title V.

Your right to receive Plan benefits became vested (nonforfeitable) on the earliest of the following to occur:

- when you completed 5 Years of Vesting Service as an active participant;
- when you reached age 65 as an active participant; or
- if you were a regular employee of Phillips Fibers on Oct. 22, 1993.

If you do not meet one of the above criteria, you will not receive benefits from Title V.

If you are vested, you are entitled to receive a Title V benefit. Such payments are payable in any form permitted by Title V and are payable at your Normal Retirement Date, unless you elect to receive them earlier. You may elect to start your benefit (at a reduced amount in most cases) on or after the date you attain age 55.

**Could I Lose or Have Lost Benefits?**

Title V was carefully designed to give you many opportunities to gain benefits; however, you should know of circumstances in which your benefits may be jeopardized. Your benefits may be forfeited as follows:

- If you terminated your employment before you became vested. However, you may have regained your forfeited benefits in certain cases. If you left the Phillips Fibers Corporation or successor employer before your benefits were vested, and you were rehired, your previous service did not count for purpose of determining Years of Credited Service or Vesting Service, unless:
  - the number of consecutive Years that you incurred a Break in Service was less than five, and
  - you completed at least one Year of Vesting Service after returning.

If you left employment before you were vested, and you incurred a Break in Service Year, you must have completed at least one Year of Vesting Service after returning to recapture your previous vesting service.
A “Break in Service” can cause you to have lost benefits. You incurred a Break in Service in any Year in which you earned less than 501 Hours of Service due to termination of employment. A Break in Service was not charged against you for the first year in which you completed less than 501 Hours of Service because of absence due to pregnancy, childbirth, or adoption. Such a Break in Service was measured from the first day of such Year. After your first anniversary from the date you were initially hired, a “Year” was normally any future 12-month period that ended on the first day of the month of your anniversary date. If reinstated after Dec. 11, 1994, from qualified military service, absence due to such military service was not considered in determining whether a Break in Service had occurred.

- There are legally set maximum benefits a retirement plan can provide. However, these limitations affect only very highly-compensated employees who will be notified by the Benefits Committee if benefits must be reduced to comply with those limitations.

- If the Plan is terminated, some portion of your benefits may be lost. Even though your benefits will be vested, not all benefits are insured by the PBGC. If the Plan’s assets are not sufficient to provide all benefits, and those benefits are not insured by the PBGC, those uninsured benefits will be lost.

- If ordered by a qualified domestic relations order.

A “Year of Vesting Service” was credited to you under the Prior Plan for each calendar year of continuous service before 1976 in which you had at least 1,200 Hours of Service. Employees who, prior to 1976, customarily worked less than 20 hours a week for less than 5 months in any calendar year were deemed to have an initial date of hire on Jan. 1, 1976.

For periods after 1975:

- A Year of Vesting Service was credited to you if you completed 1,000 Hours of Service in the 12-month period following your date of hire, or date of rehire following a Break in Service and ending on the first anniversary of such date.

- A Year of Vesting Service was also credited to you for each subsequent 12-month period, beginning on the first day of the month in which the anniversary of your date of hire (or rehire, following a Break in Service) occurred, in which you completed 1,000 Hours of Service.

As a general rule, your interest in your accrued benefit, including your “vested interest”, may not be alienated. This means that your interest may not be sold, used as collateral for a loan, given away or otherwise transferred.

In addition, your creditors may not attach, garnish or otherwise interfere with your accrued benefit. There is an exception, however, to this general rule. The Administrator must honor a “qualified domestic relations order”.

A “qualified domestic relations order” is a judgment, decree or order (including approval of a property settlement agreement) which relates to the provision of child support, alimony payments, or marital property rights to a spouse, former spouse, child or other dependent or a participant, is made pursuant to a state domestic relations law (including community property laws), and meets a series of specific criteria set forth in both the Employee Retirement Income Security Act of 1974 and the Internal Revenue Code.

If the Benefits Committee receives an instrument that purports to be a qualified domestic relations order affecting your interest in the Plan, you will be notified, and you will be provided with a copy of the Plan’s established procedure for determining whether or not the instrument constitutes a qualified domestic relations order. Otherwise, you may obtain, without charge, copies of the qualified domestic relations order procedures by contacting the ConocoPhillips Benefits Center (contact information is shown on page 3).

A qualified domestic relations order creates rights in a person known as an “alternate payee”. The alternate payee may become entitled to any part of, or all of, your interest under the Plan. In addition, a qualified domestic relations order may grant to a former spouse the rights normally provided to a surviving spouse under Title V, preventing a later spouse from having full spousal rights.

**Tax Considerations**

Special Tax Notice

For more information on the tax implications of your distribution options, you should review the *Special Tax Notice Regarding Plan Payments* which is available from the ConocoPhillips Benefits Center. This notice contains pertinent disclosures specifically described by the Internal Revenue Service in connection with any distribution from a qualified retirement plan.

Any tax considerations mentioned in this booklet should be regarded only as highlights and not as comprehensive discussions of the tax issues involved. The application of tax laws varies depending on the individual circumstances involved.

All Title V distributions are subject to normal federal and (if applicable) state and/or local income taxes.

Annuity payments are subject to income tax withholding at ordinary income tax rates.

**Tax laws are complicated and subject to frequent change. You should consult a qualified tax adviser before making your distribution election.**
Filing Claims and Appeals Under the Plan

The Benefits Center provides the forms and documents for claiming benefits under Title V by an employee, participant, spouse or the authorized representative of such person.

Initial Appeal Process

If your claim is denied, in whole or in part, you may file an initial appeal of the claim denial. You should mail or deliver a statement in writing to the Claims Administrator explaining the reasons for your claim. Provide as much information about your claim situation as you can. Within 90 days (or within 180 days in special circumstances that require more time for processing, with you being notified of the circumstances requiring this extension and when the decision is expected to be made) after receipt of your claim, the Claims Administrator will notify you of the approval or denial of your initial appeal.

If your initial appeal request to begin benefits (or other claim) is denied, the Claims Administrator will notify you in writing with:

- Specific reason(s) for the denial;
- References to the Plan provisions that support the denial;
- A description of any additional materials or information that is necessary to perfect (improve) the claim; and
- An explanation of the Plan’s claim review procedures, including your right to bring a civil action under Section 502(a) of ERISA following a denial after final appeal.

Final Appeal Process

If your initial appeal is denied, in whole or in part, by the Claims Administrator, you may file a final appeal of the claim denial to the Benefits Committee. Your final appeal must be made in writing to the Benefits Committee within 60 days of your receipt of the initial appeal claim denial. Your final appeal request may contain any additional information and comments as you may wish to present. The Benefits Committee’s consideration of your final appeal will take into account all comments, documents, records and other information you submit related to the appeal, whether or not such information was submitted or considered in the initial appeal process. You may also review all pertinent documents in the Benefits Committee’s possession, including the Plan documents and information provided by the Company relating to your entitlement to such benefit(s) under consideration. You may request a formal hearing before the Benefits Committee. However, the Benefits Committee is not required to grant the request.
The decision on your final appeal will be made by the Benefits Committee no later than the date of its first quarterly meeting that follows receipt of your final appeal unless the final appeal request is filed within 30 days of that meeting. In that case, the decision will be made no later than the date of the second quarterly meeting following receipt of your final appeal request. If special circumstances require further time to process your final appeal, a decision shall be rendered no later than the third quarterly meeting following receipt of your final appeal request. If special circumstances require this additional time, you will be notified of the reason for the extension and the date on which a decision is expected to be made. You will be notified of the decision as soon as administratively practicable.

The Benefits Committee will submit its decision to you in writing. If your final appeal is denied, in whole or in part, the written decision will include:

- Specific reason(s) for the denial;
- References to the Plan provisions (or other applicable Plan documents) upon which the decision was based;
- Notification of your right for reasonable access to and to receive copies of, without charge, all documents, records and other information relevant to your claim; and
- Notification of your right to bring legal action under Section 502(a) of ERISA within two years after the date the Benefits Committee, in writing or by electronic means, sends you its final appeal decision. In order to bring such legal action, you must have exhausted all of the claims and appeals process as covered above. If you do not bring legal action within this two-year period, your right to bring such action will be waived in full.
Other Information/ERISA

This section provides you with general information about the ConocoPhillips Retirement Plan (Plan), which includes the Pension Plan for Hourly Employees of Phillips Fibers Corporation - Title V. It also gives you information you are required to receive under ERISA.

ERISA Plan Information

<table>
<thead>
<tr>
<th>ConocoPhillips Retirement Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td><em>(Includes the Pension Plan for Hourly Employees of Phillips Fibers Corporation — Title V)</em></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Type of Plan</th>
<th>Defined benefit pension plan that is intended to be qualified under Internal Revenue Code Section 401(a)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Plan Number</td>
<td>021</td>
</tr>
<tr>
<td>Plan Year</td>
<td>Jan. 1 – Dec. 31</td>
</tr>
</tbody>
</table>

Sources of Contributions

Prior to certain dates in the past, the Plan was funded by a combination of employee and Company contributions. Since those dates, the Plan has been funded entirely by Company contributions. Each year, an actuary determines the range of Company contributions on a basis acceptable under ERISA. The Company is required under ERISA to make contributions necessary to meet minimum funding standards.

All Company contributions go into the trust fund. The trust fund is administered by trustees, insurance companies and investment managers. All Plan expenses are paid from the trust fund unless paid by the Company.

<table>
<thead>
<tr>
<th>Plan Trustees</th>
<th>Bank of New York</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1 Wall Street</td>
</tr>
<tr>
<td></td>
<td>New York, NY 10286</td>
</tr>
</tbody>
</table>

|                               | PNC Bank, N.A.    |
|                               | 249 5th Avenue    |
|                               | Pittsburgh, PA 15222 |
Your ERISA Rights

As a participant in the Plan, you are entitled to certain rights and protections under ERISA. ERISA provides that all Plan participants are entitled to receive information about the Plan and your benefits, to expect prudent action by Plan fiduciaries, and to enforce your rights under ERISA.

Information About the Plan and Your Benefits

All Plan participants have the right to:

- Examine, without charge, at the office of the Benefits Committee and at other locations (field offices, plants and selected work sites), all documents governing the Plan and a copy of the latest annual report (Form 5500 Series) filed by the Plan with the U.S. Department of Labor. These documents are also available for review at the Public Disclosure Room of the Employee Benefits Security Administration;

- Obtain, upon written request to the Benefits Committee or its designee, copies of documents governing the operation of the Plan and copies of the latest annual report (Form 5500 Series) and updated Summary Plan Description. When allowed by law, the Benefits Committee or its designee may make a reasonable charge for the copies;

- Receive a summary of the Plan’s annual financial report at no charge (the Benefits Committee or its designee is required by law to furnish each participant with a copy of this summary financial report); and

- Obtain a statement telling you whether you have a right to receive a benefit at your normal retirement date, and what your normal retirement benefit would be at your normal retirement date if you stopped working as of the date of the statement. ERISA does not require the statement to be provided more than once a year. The Plan must provide the statement free of charge.

Prudent Action by Plan Fiduciaries

In addition to creating rights for Plan participants, ERISA imposes duties upon the people who are responsible for the operation of the Plan. The people who operate the Plan are called “fiduciaries” and have a duty to operate the Plan prudently and in the interest of you and other Plan participants and beneficiaries. No one, including your employer, your union or any other person, may fire you or discriminate against you in any way to prevent you from obtaining benefits under the Plan or exercising your rights under ERISA.

Enforcing Your Rights

If your claim for a benefit is denied or ignored, in whole or in part, you have a right to receive a written explanation of the reason for the denial, to obtain copies of documents relating to the decision without charge, and to appeal any initial appeal denial to the Benefits Committee.
Under ERISA, there are steps you can take to enforce your rights. For instance, if you request materials from the Plan and do not receive them within 30 days, you may file suit in a federal court. In such a case, the court may require the Benefits Committee or its designee to provide the materials and pay you up to $110 a day until you receive the materials, unless they were not sent because of reasons beyond the control of the Benefits Committee or its designee.

If you have a claim for benefits that is denied or ignored, in whole or in part, you may file suit in a state or federal court. In addition, if you disagree with the Plan’s decision or lack thereof concerning the qualified status of a domestic relations order, you may file suit in federal court. If the Plan fiduciaries misuse the Plan’s money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a federal court.

The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose — for example, if the court finds your claim is frivolous — the court may order you to pay these costs and fees.

For More Information
If you have any questions about the Plan, contact the ConocoPhillips Benefits Center or the Benefits Committee.

If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the Benefits Committee, you should contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue N.W., Washington, DC 20210.

You may obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration at 866-444-3272.

Plan Administration

Plan Identification Information
The Plan Name, Plan Sponsor, Identification Number and Plan Number are:

ConocoPhillips Retirement Plan
ConocoPhillips Company
600 N. Dairy Ashford
Houston, TX 77079

Employer ID#: 73-0400345
Plan Number: 021
**Benefits Committee**

The Benefits Committee is the governing body for the Plan. Benefits Committee members are appointed by the Board of Directors of ConocoPhillips Company or its designee. The Benefits Committee’s address and phone number are:

600 N. Dairy Ashford  
ML-1092  
Houston, TX 77079  
(918) 661-6199

The Benefits Committee is responsible for (among other things):

- Establishing and enforcing rules and procedures for:
  - The administration of the Plan; and
  - The selection of those who provide non-investment-related services to the Plan;
- Delegating administrative duties to selected persons and companies as appropriate;
- Interpreting the Plan; and
- Making final decisions as to any disputes or claims under the Plan.

The Benefits Committee has absolute discretion in carrying out its responsibilities. All interpretations, findings of fact and resolutions made by the Benefits Committee are binding, final and conclusive on all parties.

**Retirement Plan Investment Committee**

The Retirement Plan Investment Committee is responsible for investment of Plan assets held in the trust fund. Such responsibilities include (among other things) selection and monitoring of the trustees and asset and investment-related service providers. Retirement Plan Investment Committee members are appointed by the Board of Directors of ConocoPhillips Company or its designee. The Retirement Plan Investment Committee’s address and phone number are:

600 N. Dairy Ashford  
ML-1092  
Houston, TX 77079  
(918) 661-6199
Claims Administrator
The Claims Administrator is the person (or entity) appointed by the Benefits Committee responsible for deciding an initial appeal of a benefits claim denial.

600 N. Dairy Ashford
ML-1092
Houston, TX  77079
(918) 661-6199

Agent for Service of Legal Process
For disputes arising from the Plan, legal process may be served on the General Counsel of ConocoPhillips Company. The address is:

General Counsel
ConocoPhillips Company
600 N. Dairy Ashford
Houston, TX  77079

Service of legal process may also be made upon the trustees or the Benefits Committee at the addresses shown for them.

Pension Benefit Guaranty Corporation
Your benefits under the ConocoPhillips Retirement Plan are covered by the Pension Benefit Guaranty Corporation (PBGC), a federal insurance agency. If the Plan terminates without enough money to pay all benefits, the PBGC will step in to pay pension benefits. Most people receive all of the pension benefits they would have received under the Plan, but some people may lose certain benefits.

The PBGC guarantee generally covers:
- Normal and early retirement benefits;
- Certain disability benefits if you became disabled before the Plan terminates; and
- Certain benefits for survivors.

The PBGC guarantee generally does not cover:
- Benefits greater than the maximum guaranteed amount set by law for the year in which the Plan terminates;
- Some or all of benefit increases and new benefits based on Plan provisions that have been in place for fewer than five years at the time the Plan terminates;
- Benefits that are not vested because you have not worked long enough for the employer;
Benefits for which you have not met all of the requirements at the time the Plan terminates;

Certain early retirement payments (such as supplemental benefits that stop when you become eligible for Social Security) that result in an early retirement monthly benefit greater than your monthly benefit at the Plan’s normal retirement age; and

Non-pension benefits, such as health insurance, life insurance, certain death benefits, savings plan benefits, vacation pay and severance pay.

Even if certain of your Plan benefits are not guaranteed, you may still receive some of those benefits from the PBGC depending on how much money the Plan has and how much the PBGC collects from employers.

For More Information

For more information about the PBGC and the benefits it guarantees, ask the Benefits Committee. You may also contact the PBGC’s Technical Assistance Division:

- **By mail** — 1200 K Street N.W., Suite 930, Washington, DC 20005-4026;
- **By phone** — (202) 326-4000 (not a toll-free number). TTY/TDD users may call the federal relay service toll-free at (800) 877-8339 and ask to be connected to (202) 326-4000; or
- **Via the Internet** — At [http://www.pbgc.gov](http://www.pbgc.gov).

Funding-Based Restrictions on Plan Benefits

Effective Jan. 1, 2008, the Pension Protection Act of 2006 (PPA) imposed the following benefit restrictions on the Plan during any period when its funded status is less than described below on an adjusted funding target attainment percentage (AFTAP) basis:

- **Accelerated benefit distributions** — When the Plan has an AFTAP below 80%, no more than 50% of your benefit under the Plan or the present value of the maximum PBGC guaranteed benefit, whichever amount is smaller, can be paid in a form other than a life annuity. When the Plan has an AFTAP below 60%, no Plan benefits may be paid in a form other than a life annuity. During any period that the Company is in Chapter 11 bankruptcy, no Plan benefits may be paid in a form other than a life annuity, unless the Plan has an AFTAP of at least 100%.

- **Plan amendments** — No Plan amendment that increases benefits, establishes new benefits, or changes benefit accruals or vesting can take effect unless the Plan has an AFTAP (calculated after taking into account the impact of the amendment) of at least 80%.

- **Benefit accruals** — No benefits may be accrued under the Plan during any period when the Plan has an AFTAP less than 60%. 
• **Contingent event benefits** — No unpredictable contingent event benefits may be paid under the Plan during any period when the Plan has an AFTAP (calculated after taking into account the impact of such benefits) less than 60%.

The AFTAP for the Plan is reported in the annual funding notice provided to participants by no later than April 30 each year.

**When the Plan Changes or Ends**

The Company may amend or terminate the Plan at any time.

Subsidiary companies that have adopted the Plan have the right to decline amendments with respect to their employees’ participation, to end their participation in the Plan at any time, and to request a separation of the trust fund. Subsidiary companies that have adopted the Plan cease to sponsor the Plan automatically if they are no longer subsidiaries of the Company.

No amendment or modification of the Plan will reduce the benefits you have earned as of the effective date of amendment or modification. If the Plan is ever terminated, the benefit you have earned as of the termination date will be distributed to you in any manner permitted by the Plan. The assets of the Plan will be allocated in accordance with the priorities set forth in the Plan.

**Payments to a Minor or Legally Incompetent Person**

The Benefits Committee or its designee may authorize payments to a conservator, guardian or other individual who is legally responsible for the management of the estate of the minor or the legally incompetent person.

**If You Cannot Be Located**

If you cannot be located on the latest date upon which your retirement benefit must start, your benefit is forfeited and used to reduce the cost of the Plan to the Company. If you are later located, your benefit will be restored and payment will be made, retroactive to the applicable date.