TRANSCRIPT

2022 ANNUAL MEETING OF STOCKHOLDERS

SPEAKER 1:

ConocoPhillips Annual Meeting of Stockholders is about to begin. Ladies and gentlemen, please welcome ConocoPhillips Deputy General Counsel, Chief Compliance Officer and Corporate Secretary, Shannon Kinney.

Shannon Kinney:

Good morning. I'm Shannon Kinney, deputy general counsel, chief compliance officer and corporate secretary of ConocoPhillips. I want to remind everyone that during today's meeting, we may make forward-looking statements. This is our standard reminder that actual results can differ materially, and you should refer to our filings with the SEC for factors that could cause actual results to differ from our projections. Now, please join me in welcoming Ryan Lance, chairman, and CEO of ConocoPhillips.

Ryan Lance:

Good morning, and thank you for joining us today. I'm Ryan Lance, chairman and CEO of ConocoPhillips, and it's my pleasure to welcome you to the ConocoPhillips 2022 Annual Shareholders Meeting. Let me take the opportunity to introduce you to our members of the Board of Directors at ConocoPhillips. All the directors are here today other than Mr. Charles E. Bunch and Mr. John V. Faraci, both of whom are scheduled to retire following this Annual Meeting.

Ryan Lance:

As I introduce each one of the directors, I'd like them to stand and face the shareholders in the audience and be recognized. So in addition to myself, the members of the Board present today are Caroline Maury Devine. Maury is the former president and managing director of the Norwegian affiliate of ExxonMobil. Jody Freeman. Jody is the Archibald Cox Professor of Law at Harvard Law School. Gay Huey Evans. Gay is the chairman of the London Metal Exchange. Jeffrey A. Joerres. Jeff is the former executive chairman and chief executive officer of Manpower Group Incorporated. Timothy A. Leach. Tim is the former executive vice president, Lower 48 ConocoPhillips, and is currently continuing to serve ConocoPhillips as an advisor to the chief executive officer. William H. McRaven. Bill is a retired U.S. Navy Four-Star Admiral and senior advisor at Lazard Financial. Sharmila Mulligan. Sharmila is the former chief strategy officer at Alteryx. Eric D. Mullins. Eric is the chairman and chief executive officer of Lime Rock Resources. Arjun N. Murti. Arjun is the senior advisor at Warburg Pincus. Robert A. Niblock. Robert is the former chairman, president and chief executive officer of Lowe's Companies Incorporated. David T. Seaton. David is the former chairman and chief executive officer of Fluor Corporation. And Al Walker. Al is the former chairman and chief executive officer of the Anadarko Petroleum Corporation. Please join me in thanking our Board members for their dedication and their willingness to serve.

Ryan Lance:

Next, I'd like to introduce you to the other members of our ConocoPhillips Executive Leadership Team. All of them are also here today. And as I introduce each one of those members, I'd like them to stand,
face the audience and be recognized. So the members of the executive leadership team are Bill Bullock, he’s our executive vice president and our chief financial officer. Jack Harper, our executive vice president of our Lower 48 operations. Dominic Macklon, our executive vice president strategy, sustainability and technology. Nick Olds, our executive vice president of our global operations. Andrew Lundquist, our senior vice president of Government Affairs. And Kelly Rose our senior vice president, Legal and general counsel. And last but not least, Heather Sirdashney, our senior vice president of Human Resources, Real Estate and our Facilities Services. Please thank our leadership for their...

Ryan Lance:
So thank you again for being here today and I'd like to call the meeting to order. The meeting will now consider the eight business items on the agenda and we will present each of the business items one at a time. We will first present the five proposals submitted by management for approval. Then each of the stockholder representatives will present their respective stockholder proposal as well. In light of the ongoing difficulties with travel and connection with the COVID pandemic, we offered our stockholder proponents the option of pre-recording their statements, and we will play those prerecorded statements on their behalf.

Ryan Lance:
Now we have found the best way to ensure we have plenty of time at the end for comments on any of the proposals, as well as questions you may have for me, is to save those comments and questions for a Q and A session, which will we conduct after the formal meeting is adjourned. Shannon, can you report whether a quorum is present for the conduct of business?

Shannon Kinney:
Yes Ryan. Our Inspector of Election reports that stockholders entitled to cast more than 87% of the votes eligible to be cast at the meeting are present in person or represented by proxy.

Ryan Lance:
Thank you, Shannon. The meeting now will consider the eight business items on the agenda. We will present each of the business items one at a time and we'll provide stockholders or their representatives to present the stockholder proposals a chance to do that.

Ryan Lance:
Item One on the agenda is a proposal to elect 13 directors to serve the term of one year. As indicated in the Proxy Statement, the Board of Directors recommends that the stockholders elect the director nominees.

Ryan Lance:
Item Two on the agenda is a proposal to ratify the appointment of Ernst & Young as the company's independent registered public accounting firm for 2022. The audit and finance committee reappointed Ernst & Young to serve as ConocoPhillips' independent registered public accounting firm for 2022 and seeks ratification of that appointment by stockholders. As indicated in the Proxy Statement, representatives of Ernst & Young are here today and available to answer questions you may have for them during the stockholder question and answer session.
Ryan Lance:

Item Three on the agenda is an advisory proposal to approve the compensation of our named executive officers as disclosed in the Proxy Statement. As indicated in that Proxy Statement, the Board of Directors recommends that the stockholders vote in favor of this proposal.

Ryan Lance:

Item Four on the agenda is a proposal to adopt the amended and restated certificate of incorporation, which has been amended to eliminate supermajority voting provisions found in the current certificate. As indicated in the Proxy Statement, the Board of Directors recommends that the stockholders vote in favor of this proposal.

Ryan Lance:

Item Five on the agenda is an advisory proposal for our Board of Directors to take the necessary steps to amend the appropriate governing documents, to give the owners of a combined 20% of ConocoPhillips' outstanding shares, the power to call a special meeting. As indicated in the Proxy Statement, the Board of Directors recommends that the stockholders vote in favor of this proposal.

Ryan Lance:

Item Six on the agenda is a stockholder proposal for our Board of Directors to take the necessary steps to amend the appropriate governing documents, to give owners of a combined 10% of ConocoPhillips' outstanding shares the power to call a special meeting. A representative of stockholder Kenneth Steiner, prerecorded a statement presenting this stockholder proposal and we will play it now.

Cam Franklin:

Proposal Six, shareholder right to call a special shareholder meeting. This is Cam Franklin for the sponsor, Kenneth Steiner. Shareholders ask our Board to take the steps necessary to amend the governing documents, to give the owners of a combined 10% of our outstanding common stock the power to call a special shareholder meeting. This is a best-practice governance proposal in the same spirit as the 2021 simple-majority-vote shareholder proposal, that won our 99% support and is on the ballot today as Management Proposal Four. It is important to vote for Management Proposal Four today because it requires 80% approval from all shares outstanding. It seems that Mr. Robert Niblock, who chairs the Governance Committee, deserves a resounding “against” vote today because there is scant evidence that Mr. Niblock has showed any interest in seeking the required 80% approval, that is particularly challenging since only 72% of ConocoPhillips shares normally vote.

Cam Franklin:

It is important to vote for the shareholder right to call a special shareholder meeting proposal because we have no right to act by written consent. Shareholders at many companies have a right to call a special shareholder and the right to act by written consent. Without either of these rights, ConocoPhillips shareholders do not have a means with traction to bring new ideas to management. A reasonable shareholder right to call for a special shareholder meeting to elect a new director can make shareholder outreach meaningful. The importance of shareholder outreach is noted 10 times in the management materials for today’s meeting. If management tends to be insecure in its shareholder outreach, a right for shareholders to call for a special meeting in our bylaws can make management think twice about insincerity.
Cam Franklin:

A shareholder right to call for a special shareholder meeting in our bylaws will help ensure that management engages with shareholders in good faith because shareholders will have a viable Plan B by calling for a special shareholder meeting. Our bylaws give no assurance that shareholder outreach will continue. A reasonable shareholder right to call for a special shareholder meeting to elect a new director could give directors more of an incentive to improve their performance. For instance, Mr. Robert Niblock, lead director, received up to 29 times the number of negative votes as other ConocoPhillips directors in 2021. Mr. Niblock’s vote showing as lead director makes for a good argument to have an independent board chairman to better manage the members of the Board. To help make up for our lack of a right to act by written consent, we need the right of 10% of shares to call for a special shareholder meeting. Please vote yes, shareholder right to call a special shareholder meeting Proposal Number Six.

Ryan Lance:

The Board’s response to this proposal begins on page 125 of the Proxy Statement. The Board recommends that you vote against this proposal.

Ryan Lance:

Item Seven on the agenda is a stockholder proposal for the company’s setting emission-reduction targets covering greenhouse gas emissions of the company’s operations, as well as its energy products or Scope 1, 2 and 3. A representative of Follow This pre-recorded a statement presenting this stockholder proposal and will play it now.

McKenzie Ursch:

Dear Mr. Lance, fellow shareholders, and esteemed members of the Board, thank you for the opportunity to speak at today’s AGM and to present our proposal. My name is McKenzie Ursch. I am here representing Follow This, an organization of green shareholders in big oil. Our mission is to facilitate shareholders to support oil majors to lead the energy transition. This transition will not be possible without big oil. Big oil can make or break the goal of the Paris Agreement of limiting global warming. ConocoPhillips is a major player in the energy industry, one of the largest exploration and production companies in the world. The choices our company makes will have a significant impact on global efforts to address climate change. We have a small and rapidly closing window to take action. The goals of the Paris Agreement will not be met unless there are immediate and large-scale reductions in global emissions, including those of the oil and gas sector.

McKenzie Ursch:

This is why we have filed proposals at some of the world's largest oil and gas companies. Our proposals request companies to align their emission-reduction targets with the Paris Agreement, especially for the emissions of the company’s products, so-called scope 3 emissions. These emissions constitute a vast majority of oil companies’ total emission profile. Scientific consensus indicates that global emissions must come down by around 40% within the next decade, including for the oil and gas sector. As a major player in the international energy market, ConocoPhillips possesses the requisite market influence and capital resources to make the necessary changes.
McKenzie Ursch:

At last year's AGM our proposal requesting the company to set emission-reduction targets for all emissions, including Scope 3, passed with a majority. While we acknowledge the steps the company has taken in response, there is a notable lack of action taken on Scope 3. This ignores the will of shareholders. We understand that the status of ConocoPhillips as a pure exploration and production company differs from that of your fully integrated peers. However, this cannot be relied upon as a categorical exemption from addressing the company's Scope 3 emissions. This will require an imagination outside of business as usual. A vote in favor of our proposal will support the company to take the necessary steps, allowing them to take full advantage of the opportunities offered by the energy transition as well as to manage the risks presented by climate change.

McKenzie Ursch:

We look forward to continuing our engagement with ConocoPhillips in the coming years. If the company takes the steps asked for in the proposal, we hope to be present at next year's AGM as shareholders of a fully Paris-aligned company. My fellow shareholders, this will not only help to prevent the devastating consequences of climate change, protecting our entire investment portfolios, but also protect our company from the risks posed by disruptive technologies, judicial intervention and pending regulation. Today, investors will show if they support ConocoPhillips to contribute to a world which takes action to limit global warming with meaningful climate targets, they will do so by voting for this resolution.

McKenzie Ursch:

Emissions must come down this decade. It's a fair ask. Shareholders, members of the Board and the whole team at Conoco, I would like to conclude with the final words of our climate resolutions, you have our support.

Ryan Lance:

The Board's response to this proposal begins on page 127 of the Proxy Statement. The Board recommends that you vote against this proposal.

Ryan Lance:

Item Eight on the agenda is a stockholder proposal for the company prepare and publish an annual report disclosing our direct and indirect lobbying activities. A representative of the National Legal and Policy Center prerecorded a statement presenting this stockholder proposal and we'll play it now.

Paul Chesser:

I'm Paul Chesser director of the Corporate Integrity Project for National Legal and Policy Center. Americans are suffering under the highest gasoline prices in their lives. And they're not only paying more at the pump, they're also sending much larger checks every month to their local electricity providers. But what are ConocoPhillips and their allies at the American Petroleum Institute prioritizing? A carbon dioxide tax. Talk about being tone deaf. This is just one reason why my organization, as the shareholder sponsoring this proposal seeks greater transparency and specificity from ConocoPhillips about its lobbying expenditure disclosures.
Paul Chesser:
And while I’m at it, we believe it is no longer in shareholder’s interest for the company to remain as a member of API. Let other fossil fuel haters fund API President Mike Summer’s $2.5 million annual salary if he wants to advocate for the demonizing of his organization’s principle product. And if a carbon dioxide tax continues to be a priority for Mr. Lance, then his leadership should be revisited as well. If oil companies want to become even more unpopular, this is the policy they will pursue, a carbon tax. If ConocoPhillips directors think by embracing a carbon tax that it will keep the climate alarmist wolves at bay, you haven't paid attention to history. They never quit and they always want more. They will never be your friends and their insurrection against fossil fuels will never end.

Paul Chesser:
Do you really think a carbon dioxide tax will be a tool for the perfect amount of CO2 emissions and fossil fuels to pacify them? Do you really think if such a policy was enacted the taxpayers and gasoline customers would see any noticeable offset in the form of other tax relief? Do you really think that if you sell a so-called price on carbon dioxide to go towards, quote unquote, technology development, that it will miraculously turn consumers in support of it? Do you really think if such a policy was implemented, that it would produce any noticeable global temperature drop, which is the ostensible goal of any of these policies? In case you haven't noticed, ESG is failing. Company leaders may think they're ahead of the curve on ESG, but they are in fact behind it, as we are in the middle of another very sharp curve that turns in the opposite direction.

Paul Chesser:
The backlash against woke is very real and very significant. Just look at what's happening to Disney and Florida. And what happened to the advocates of racist CRT training in education in Virginia last year. The trend against climate-focused ESG is no different. Americans are furious at the price of gasoline and of natural gas caused by a climate alarmist advocacy. Putting a carbon dioxide tax on top of that is, should be a non-starter. In the history of polls that measure the top issues of concern for voters, going back many, many years, climate change always registers at the bottom of their worries. Yet corporate executives and institutional investment managers instead try to lubricate the squeakiest, but tiniest, wheels. Sentiment has turned in favor of more fossil fuel drilling and development in order to ease the pain at the pump. But Conoco leadership is missing the boat with its advocacy for a carbon dioxide tax. Make no mistake, climate change alarmists are anti-science, anti-logic, anti-economics and anti-humanity.

Paul Chesser:
They are anti-science because they fail to understand that their physics of energy dictates that they can never erect enough wind, solar and other so-called renewables to replace the density and power packed into fossil fuels to meet the energy demands of global humanity. Yet they disregard this incontrovertible science and instead make repeated false predictions about future climate doom if we don’t abandon fossil fuels. Their prophecies always fail to materialize on their predicted timelines, yet no one calls them on it. Just last month the U.N. Secretary General said, if we don't reduce carbon dioxide emissions, we should expect to see, quote, major cities underwater, unprecedented heat waves, terrifying storms, widespread water shortages, and the extinction of a million species of plants and animals, end quote. How many times have you heard that one over the last 30 years?
Paul Chesser:
It's time for ConocoPhillips directors and executives to exercise real leadership and to stand for truth in science and against these false prophets. It's to that end, we seek greater transparency from ConocoPhillips about its lobbying expenditures to provide assurance that the company truly is acting in the best interest of shareholders, customers and our country. Thank you.

Ryan Lance:
The Board's response to this proposal begins on page 131 of the Proxy Statement. The Board recommends that you vote against this proposal.

Ryan Lance:
Now, any shareholder who has not yet voted or wishes to change their vote may do so now by completing their ballot and passing it to the aisle for collection. If you need a ballot, please stand or raise your hand. And a meeting host will provide you with one. Shareholders who have sent in proxies or voted prior to the meeting and do not wish to change their vote do not need to take any further action.

Ryan Lance:
Now, the next item on the agenda is the preliminary report from the Inspector of Elections. Any ballots collected before the polls closed, but not reflected in the preliminary report, will be reflected in the final report of the Inspector of Elections. So the polls are now closed. The Inspector of Election has filed a certification of the preliminary results of the voting. Shannon, would you please read those results?

Shannon Kinney:
Yes. The Inspector of Election has reported the following results. Each of the 13 nominees for election have been elected as directors to serve a one-year term expiring at next year's Annual Meeting. Each director nominee received at least 92% of the votes present at today's meeting. The ratification of Ernst and Young as ConocoPhillips' independent auditors for fiscal year 2022 has been approved, having received the favorable vote of more than 88% of the votes present at today's meeting.

Shannon Kinney:
The advisory approval of our executive compensation has passed, with more than 60% of the votes present at today's meeting cast in favor of the proposal.

Shannon Kinney:
The adoption of the amended and restated certificate of incorporation has not passed, with only 77.8% of the outstanding stock cast in favor of the proposal, which required 80% to pass.

Shannon Kinney:
The advisory approval of adoption of a special meeting right for owners of a combined 20% of ConocoPhillips outstanding shares has passed with almost 80% of the votes present at today's meeting cast in favor of the proposal.
Shannon Kinney:
The stockholder proposal for a special meeting right for owners of a combined 10% of ConocoPhillips outstanding shares has also passed, but with only approximately 53% of the votes present at today's meeting cast in favor of the proposal. The Board of Directors will take the outcome of this vote into account when considering what threshold is appropriate when setting a special meeting right.

Shannon Kinney:
The stockholder proposal for the company to set emission-reduction targets covering greenhouse gas emissions of the company's operations, as well as its energy products Scope 1, 2 and 3, has not passed, with only 39% of the votes present at today's meeting cast in favor of the proposal.

Shannon Kinney:
The stockholder proposal for the company to prepare and publish an annual report disclosing our direct and indirect lobbying activities has also not passed, with only 19% of the votes present at today's meeting cast in favor of the proposal.

Shannon Kinney:
Mr. Chairman, that concludes the report of preliminary voting. Details of the final results will be available for all stockholders in our filings with the SEC within four business days. Stockholders may also obtain the voting results by calling or writing the office of the corporate secretary.

Ryan Lance:
Thank you Shannon. That completes the business scheduled for today. We will now adjourn the formal meeting and conduct Q and A with attendees in the room. We will post responses to questions that were submitted online in advance of the meeting in our website within 72 hours.