

REFINITIV STREETEVENTS

# EDITED TRANSCRIPT

ConocoPhillips Annual Shareholders Meeting

EVENT DATE/TIME: MAY 16, 2023 / 2:00PM GMT

## CORPORATE PARTICIPANTS

**Ryan Lance** *ConocoPhillips - Chairman & CEO*

**Shannon Kinney** *ConocoPhillips - Vice President, Deputy General Counsel, Chief Compliance Officer & Corporate Secretary*

## CONFERENCE CALL PARTICIPANTS

**Daniel Mulé** *Oxfam America*

**George Wong** *New York State Comptroller*

**Paul Chesser** *National Legal and Policy Center*

## PRESENTATION

**Shannon Kinney** *ConocoPhillips - Vice President, Deputy General Counsel, Chief Compliance Officer & Corporate Secretary*

Good morning. I'm Shannon Kinney, Vice President, 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 could 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** *ConocoPhillips - Chairman & CEO*

Well, thank you, and good morning. Thank you, Shannon. Ladies and gentlemen, good morning. I'm Ryan Lance, Chairman and CEO of ConocoPhillips. And it's my pleasure to welcome you to the 2023 ConocoPhillips Annual Stockholders' Meeting.

Let me take the opportunity to introduce our Board of Directors, all of which are here today, other than Ms. Caroline Maury Devine, who is scheduled to retire following this Annual Meeting. Now as I introduce each director, I'd ask them to stand, face the audience and be recognized.

In addition to myself, the members of the Board present today are: Dennis V. Arriola, Dennis is the former Chief Executive Officer of Avangrid, Inc.; Jody Freeman, Jody is the Archibald Cox Professor of Law at Harvard Law School; Gay Huey Evans, Gay is the former Chairman of the London Metal Exchange; Jeffrey A. Joerres, Jeff is the former Executive Chairman and Chief Executive Officer of Manpower Group Inc.; Timothy A. Leach, Tim is the former Chief Executive Officer of Concho Resources and is currently serving as ConocoPhillips' 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 a Partner at Veriten LLC; Robert A. Niblock, Robert is the former Chairman, President and Chief Executive Officer of Lowe's Corporation, Inc.; 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 Anadarko Petroleum. Please join me in thanking our Board members for their dedication and their willingness to serve.

Next, I'd like to introduce you to the other members of the ConocoPhillips executive leadership team, all of them are here today as well. And as I introduce each one of them, I'd like them to stand, face the audience and be recognized.

The members of our executive leadership team are: Bill Bullock, our Executive Vice President and Chief Financial Officer; Dominic Macklon, our Executive Vice President of Strategy, Sustainability and Technology; Nick Olds, our Executive Vice President of our Lower 48 operations; Heather Hrap, our Senior Vice President, Human Resources, Real Estate and Facilities Services; Andrew Lundquist, our Senior Vice President of Government Affairs; Andy O'Brien, our Senior Vice President of Global Operations; and Kelly Rose, our Senior Vice President of Legal and General Counsel.

So thank you. Thank you for being here today. And now I'd like to call the meeting to order. The meeting will consider the 10 business items on the agenda. We will present each of the business items one at a time.

We will first present the six proposals submitted by management for approval. And then each of the stockholder representatives will present their respective stockholder proposal. Now as a courtesy for those stockholder proponents that chose not to attend in person, we offered them the option of prerecording their statement. And we will play such prerecorded statements on their behalf.

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

---

**Shannon Kinney ConocoPhillips - Vice President, Deputy General Counsel, Chief Compliance Officer & Corporate Secretary**

Yes. Our inspector of election reports that stockholders entitled to cast more than 87% of the votes eligible to be cast at this meeting are present in person or represented by proxy. Therefore, a quorum is present and the meeting may proceed.

---

**Ryan Lance ConocoPhillips - Chairman & CEO**

Thank you. The meeting will now consider the 10 business items on the agenda. We will present each of the business items one at a time and then we'll allow stockholders or their representative to present their stockholder proposals.

Item 1 on the agenda is the proposal to elect 13 directors to serve a term of one year. As indicated in the proxy statement, the Board of Directors recommends that the stockholders elect the director nominees. Item 2 on the agenda is a proposal to ratify the appointment of Ernst & Young as the company's independent registered public auditing firm for 2023. The Audit and Finance Committee reappointed Ernst & Young to serve as ConocoPhillips' independent registered public accounting firm for 2023 and seeks ratification of that appointment by the stockholders. As indicated in the proxy statement, representatives of Ernst & Young are here today and available to answer any questions you may have for them during the question-and-answer session.

Item 3 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 the proxy statement, the Board of Directors recommends that the stockholders vote in favor of this proposal.

Item 4 on the agenda is an advisory vote on whether to hold an advisory vote on the compensation of ConocoPhillips' named executive officers every one, two or three years. As indicated in the proxy statement, the Board of Directors expects to hold say-on-pay votes in the future in accordance with the alternative that receives the most stockholder support.

Item 5 on the agenda is a proposal to adopt the amended and restated certification of incorporation, which has been amended to provide stockholders owning 20% of the voting stock at ConocoPhillips the right 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.

Item 6 on the agenda is a proposal to adopt the 2023 Omnibus Stock and Performance Incentive Plan for ConocoPhillips. And the Board of Directors has unanimously approved the 2023 Omnibus Plan and recommends that the stockholders approve the plan as well.

Item 7 on the agenda is a stockholder proposal for our Board of Directors to adopt a policy and amend the governing documents as necessary so that two separate people hold the office of Chairman and Chief Executive Officer. I think Daniel Mulé is here to introduce this proposal and make a brief supporting statement. Please, the microphone is yours, Daniel.

---

**Daniel Mulé Oxfam America**

Hello, good morning. I'm Daniel Mulé with Oxfam America, and I'm presenting this proposal on behalf of Kenneth Steiner, who sponsored it. This is proposal 7.

Shareholders request that the Board of Directors adopt an enduring policy and amend the governing documents as necessary in order that two separate people hold the office of the Chairman and the office of the CEO. Whenever possible, the Chairman of the Board shall be an independent director. The Board has the discretion to select a temporary Chairman of the Board, who is not an independent director, to serve while the Board is seeking an independent Chairman of the Board on an accelerated basis.

Although it is best practice to adopt this policy soon, this policy could be phased in when there is a contract renewal for our current CEO or for the next CEO transition.

A Lead Director is no substitute for an independent Board Chairman. One of the duties of ConocoPhillips' Lead Director Mr. Robert Niblock is evaluating the performance of the CEO. Unfortunately, CEO pay was rejected by almost 40% of shares in 2022, when a 5% rejection is often the norm. Perhaps this explains why Mr. Niblock received the most against votes of any ConocoPhillips director in 2022.

A Lead Director is no substitute for an independent Board Chairman. A Chairman or CEO can ignore the advice of a Lead Director.

The increased complexities of companies of more than \$120 billion in market capitalization, like ConocoPhillips, demand that two persons fill the two most important jobs in the company.

Please vote yes, independent Board Chairman, proposal 7. Thank you.

---

**Ryan Lance ConocoPhillips - Chairman & CEO**

Thank you, Mr. Mulé. The Board's response to the proposal begins on Page 139 of the proxy statement. The Board recommends that you vote against this proposal.

Item 8 on the agenda is a stockholder proposal for the Human Resources and Compensation Committee to create a policy that requires named executive officers to retain shares acquired through equity compensation programs until reaching normal retirement age. Here's George Wong here to introduce this proposal and make a brief supporting statement. Mr. Wong.

---

**George Wong New York State Comptroller**

On behalf of New York State Comptroller, Thomas DiNapoli, trustee of the New York State Common Retirement Fund, I am presenting proposal 8 on the proxy.

The fund believes the company's current stock ownership guidelines for its senior executives do not go far enough to ensure long-term stock ownership by all executive officers. It is important to note that in evaluating this proposal that fellow company shareholders have found it helpful to take into consideration the company's recent pay practices, which run counter to the company's own established goal of an executive compensation program with a long-term focus.

Better linking of executive compensation with long-term performance by requiring meaningful retention of shares that senior executives receive from the company's equity compensation plans is what the fund's shareholder proposal seeks today at the company. Thus, we urge all ConocoPhillips shareholders to vote for proposal 8 on the proxy. Thank you for your consideration.

---

**Ryan Lance ConocoPhillips - Chairman & CEO**

Thank you, Mr. Wong. The Board's response to this proposal begins on Page 143 of the proxy statement. The Board recommends you vote against this proposal.

Item 9 on the agenda is a stockholder proposal for the company to prepare and publish a tax transparency report prepared in accordance with the requirements and recommendations set forth in the Global Reporting Initiative Tax Standard. I think Daniel Mulé is here to introduce this proposal and make any supporting statement. Mr. Daniel Mulé.

---

**Daniel Mulé Oxfam America**

Thank you. Yes, I'm back, I'm Daniel Mulé, a policy lead with Oxfam America, and I'm presenting our resolution this time. And I urge you to support our proposal item 9, which calls on ConocoPhillips to publish a tax transparency report in accordance with the GRI standard on tax, including disclosure of payments to governments around the world.

Oxfam is a shareholder in Conoco and a global organization that fights inequality. And we understand the importance of transparent

business practices. We share this view with investors. Tax transparency is now supported by investors with combined assets under management of over \$10 trillion. And this includes our co-filers, Nordea and KLP.

For too long, businesses thought that tax was outside the remit of transparency and social responsibility. And this view came with a cost to society as aggressive tax avoidance has undermined government's ability to fund the shared infrastructure and services on which we all rely to address global inequality or to adapt to climate change. But aggressive tax avoidance also comes with another cost.

Shareholders are left in the dark to guess, is the company operating with a successful commercial strategy and generating profits where it operates? Or are its profits artificially inflated because it has shifted them to avoid taxes? If the latter, those short-term profits may be unsustainable. They carry material risks of being wiped out due to regulatory changes, reputational damage or conflict over country or community benefits.

An aggressive tax avoidance has already led to tax controversies at Conoco. The company has paid out over \$510 million in settlements with tax authorities in 2022 alone as ConocoPhillips has also faced reputational damage from tax controversies in Canada, Timor-Leste, the U.S., Vietnam and Norway, where, in particular, the court specifically revised down Conoco's inflated intragroup interest rate, increasing the taxes due and partially offsetting last year's quarter two gains.

The GRI Tax Standard requires public country-by-country reporting, which allows investors to understand any such material risks in a company's tax practices. And there is nothing stopping ConocoPhillips from publishing country-by-country reports. The company already collects this information privately. And peers, including Hess, Newmont, Shell, BP and others disclose this information.

But instead of embracing transparency, ConocoPhillips is retreating. In 2022, Conoco withdrew its support for the Extractive Industries Transparency Initiative as a supporting company. And this will limit investor and public access to its payments to governments data, which is a GRI-recommended tax transparency disclosure for the oil and gas sector. Meanwhile, 69 other peer companies, including Exxon and Chevron, remain committed supporters of this initiative.

So my question to shareholders is this, why does ConocoPhillips want to keep information from you that its peer companies make readily available? I urge you to vote in favor of item 9. Thank you.

---

**Ryan Lance ConocoPhillips - Chairman & CEO**

Thank you, Mr. Mulé. The Board's response to this proposal begins on Page 145 of the proxy statement. The Board recommends that you vote against this proposal.

Item 10 on the agenda is a stockholder proposal for the company to 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 National Legal and Policy Center**

Good morning. I'm Paul Chesser, Director of the Corporate Integrity Project for National Legal and Policy Center. ConocoPhillips argues against our proposal for a lobbying disclosure report because they say they already report much of the information in their public disclosures. In other words, they expect you, the shareholder, to search on the Internet through dozens, if not hundreds, of governmental websites for ConocoPhillips disclosures.

The company says it would be, "An undue administrative burden to have to do a report that puts the information all in one place for shareholders." The bottom line is they want you to bear the undue administrative burden of spending countless days and hours searching for the company's lobbying disclosure information.

Now we also continue to be puzzled by ConocoPhillips' continued advocacy for carbon tax, which is only a means to raise prices on the kinds of energy that they produce and that actually work in the real world. This makes it even more urgent for the company to be more transparent about its lobbying activities and expenditures.

We're also curious why environmental leftists are viciously attacking Exxon and Chevron with shareholder proposals while they are leaving ConocoPhillips alone. These anti-fossil fuel radicals want to destroy our way of life by waging an all-out attack against the corporate entities that don't sufficiently comply with their destructive agenda. They have gone after many of the largest financial institutions in the country, demanding that they meet their so-called net-zero targets, which are a fantasy, and to stop funding fossil fuel projects.

Large banks, including Bank of America, Goldman Sachs, JPMorgan Chase and Wells Fargo, were confronted with three shareholder proposals each this year to attack their financing of the oil and gas industries. Meanwhile, Conoco's top two industry competitors, Exxon and Chevron, also are fighting off a multi-front war from climate zealot shareholders. So all the big banks and the two biggest oil companies are under total assault from these Soros-funded environmental pressure groups.

But ConocoPhillips remains unscathed. Why is that? Four of the eight shareholder proposals at Chevron, the country's second-largest oil and gas company, challenged them on greenhouse gas emissions, net-zero, climate or a related topic. And the top dog, Exxon Mobil, eight of the 13 shareholder proposals this year come from anti-fossil fuel interest. And as we all know, two years ago, Exxon's Board endured a full-on insurgency from a fossil fuel-hating hedge fund, which succeeded in inserting three directors on their Board.

Did that historic event scare the directors and executives at ConocoPhillips into silence in compliance with the climate alarmist agenda? Because what other explanation can there be for zero anti-fossil fuel shareholder proposals this year for ConocoPhillips, other than the company somehow bought off the climate propaganda silence? After all, payoffs are really what this is all about. It's one big rift.

We can't help but think that more extensive disclosure of Conoco's lobbying activities might shed some more light on this. At least Exxon this year seems fed up, and they have started to push back. For example, Exxon explains to shareholders in this year's proxy statement that, "There are some anti-oil and natural gas activists who used the SEC shareholder proposal process to further their own interest in conflict with the interest of many of the company's other shareholders." Exxon adds that, "These activist firms acquire a minimal ownership stake in the company to support resolutions ultimately designed to eliminate oil and gas investments."

This is the kind of pushback we'd like to see more of from the oil majors. And ConocoPhillips could use a little courage like that. But instead, Conoco's directors and executives seem to hide in fear, begging for carbon tax. As I said at last year's Annual Meeting, the predictions of the climate alarmist always fail to materialize, yet no one calls them on it. They've cried chicken little for decades with zero evidence to back them up. It's time for ConocoPhillips directors and executives to exercise real leadership and to show they have a backbone to stand up to the climate bullies.

It's to that end that 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 of our country. So please vote for proposal #10. Thank you.

---

**Ryan Lance ConocoPhillips - Chairman & CEO**

The Board's response to this proposal begins on Page 148 of the proxy statement. The Board recommends that you vote against this proposal.

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 raise your hand and a meeting host will provide you with one. Shareholders who have sent their proxies in or voted prior to the meeting and do not wish to change their vote do not need to take any further action.

The next item on the agenda is the preliminary report of the inspector of elections. Any ballots collected before the polls close but not reflected in the preliminary report will be reflected in the final report of the inspector of election. So I now declare the polls closed. The inspector of election has filed a certification of the preliminary results of the voting. And Shannon, will you please read those results?

---

## MAY 16, 2023 / 2:00PM GMT, ConocoPhillips Annual Shareholders Meeting

### **Shannon Kinney *ConocoPhillips - Vice President, Deputy General Counsel, Chief Compliance Officer & Corporate Secretary***

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.

The ratification of Ernst & Young as ConocoPhillips' independent auditors for fiscal year 2023 has been approved.

The advisory approval of our executive compensation has passed.

The alternative that received the most stockholder votes for frequency of say-on-pay vote was one year.

The adoption of the amended and restated certificate of incorporation has not passed.

The adoption of the 2023 Omnibus Stock and Performance Incentive Plan of ConocoPhillips has passed.

The stockholder proposal for an independent Board Chairman has not passed with only approximately 25% of the votes present at today's meeting cast in favor of the proposal.

The stockholder proposal for the Human Resources and Compensation Committee to set a policy requiring named executive officers to retain equity until retirement has not passed with only approximately 22% of the votes present at today's meeting cast in favor of the proposal.

The stockholder proposal for the company to prepare and publish a tax transparency report has not passed with only approximately 17% of the votes present at today's meeting cast in favor of the proposal.

The stockholder proposal for the company to prepare and publish an annual report disclosing our direct and indirect lobbying activities has not passed with only approximately 9% of the votes present at today's meeting cast in favor of the proposal.

Mr. Chairman, that concludes the report of the 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 voting results by calling or writing the Office of the Corporate Secretary.

---

### **Ryan Lance *ConocoPhillips - Chairman & CEO***

Thank you, Shannon. And that completes the business scheduled for today. Now we're going to adjourn the formal meeting and conduct a Q&A session with attendees here in the room. We will post responses to the questions that were submitted online in advance of the meeting on our website within the next 72 hours. So I declare the formal meeting is adjourned.

---

#### **DISCLAIMER**

Refinitiv reserves the right to make changes to documents, content, or other information on this web site without obligation to notify any person of such changes.

In the conference calls upon which Event Briefs are based, companies may make projections or other forward-looking statements regarding a variety of items. Such forward-looking statements are based upon current expectations and involve risks and uncertainties. Actual results may differ materially from those stated in any forward-looking statement based on a number of important factors and risks, which are more specifically identified in the companies' most recent SEC filings. Although the companies may indicate and believe that the assumptions underlying the forward-looking statements are reasonable, any of the assumptions could prove inaccurate or incorrect and, therefore, there can be no assurance that the results contemplated in the forward-looking statements will be realized.

THE INFORMATION CONTAINED IN EVENT BRIEFS REFLECTS REFINITIV'S SUBJECTIVE CONDENSED PARAPHRASE OF THE APPLICABLE COMPANY'S CONFERENCE CALL AND THERE MAY BE MATERIAL ERRORS, OMISSIONS, OR INACCURACIES IN THE REPORTING OF THE SUBSTANCE OF THE CONFERENCE CALLS. IN NO WAY DOES REFINITIV OR THE APPLICABLE COMPANY ASSUME ANY RESPONSIBILITY FOR ANY INVESTMENT OR OTHER DECISIONS MADE BASED UPON THE INFORMATION PROVIDED ON THIS WEB SITE OR IN ANY EVENT BRIEF. USERS ARE ADVISED TO REVIEW THE APPLICABLE COMPANY'S CONFERENCE CALL ITSELF AND THE APPLICABLE COMPANY'S SEC FILINGS BEFORE MAKING ANY INVESTMENT OR OTHER DECISIONS.

©2023 Refinitiv. All Rights Reserved.