Kelly Brunetti Rose - ConocoPhillips - Senior VP of Legal, General Counsel & Corporate Secretary

Ryan M. Lance - ConocoPhillips - Chairman & CEO

Good morning. Today, we're going to be providing you with a review of the company's performance in 2018 and an update on our plans for 2019. This review will include forward-looking statements. This is our standard reminder that actual results can differ from -- materially and you should refer to our filings with the SEC for factors that could cause those results to differ from our projections.

Now please join me in welcoming, Ryan Lance, our Chairman and CEO.

Ryan M. Lance - ConocoPhillips - Chairman & CEO

Good morning, and thank you, Kelly. Ladies and gentlemen, I'm Ryan Lance, the Chairman and CEO of ConocoPhillips. And it's my pleasure to welcome you to the 2019 Annual Stockholders Meeting. So welcome to those that are in the room today and those that are joining us online and through the webcast.

I'd like to take this opportunity to get started and introduce you to our Board of Directors. All of them are here today, other than Harald J. Norvik, who is scheduled to retire following this annual meeting.

As I introduce each one of the directors, I'd like them to stand, please, and face the audience and be recognized. So in addition to myself, the members of our Board present here today are: Charles E. Bunch, Chuck is the former Chairman and Chief Executive Officer of PPG Industries, Inc.; Caroline Maury Devine, Maury is the former President and Managing Director of the Norwegian Affiliate of ExxonMobil; John V. Faraci, John is the former Chairman and Chief Executive Officer of International Paper Company; Jody Freeman, Jody is the Archibald Cox Professor of Law at the Harvard Law School; Gay Huey Evans, Gay is a member of Her Majesty's Treasury Board; Jeffrey A. Joerres, Jeff is the former Executive Chairman and Chief Executive Officer of Manpower Group Inc.; Admiral William H. McRaven, Admiral McRaven is a retired U.S. Navy four-star admiral; Sharmila Mulligan, Sharmila is the Chief Strategy Officer of Alteryx Inc.; Arjun N. Murti, Arjun is the Senior Adviser at Warburg Pincus; and Robert A. Niblock, Robert is the former Chairman, President and Chief Executive Officer of Lowe's Company, Inc.

So please join me in thanking our Board for their service to our company.
Next, I’d like to introduce you to the members of the ConocoPhillips executive leadership team. All of them are here today and as I introduce each one of them, I’d like them to stand and face the audience and be recognized. In addition to myself and Kelly, who you’ve already met, there is Matt Fox, he is our Executive Vice President and Chief Operating Officer; Don Wallette, our Executive Vice President and Chief Financial Officer; Bill Bullock, our President Asia Pacific and Middle East; Michael Hatfield, our President Alaska, Canada and Europe; Dominic Macklon, President of the Lower 48; Ellen DeSanctis, our Senior Vice President of Corporate Relations; and Andrew Lundquist, our Senior Vice President of Government Affairs.

So thank you. I’d like to give a round of applause for our executive leadership team as well. Thank you.

So as we typically do, I’d like to spend just a few minutes, and before we start the formal part of the meeting, just give you a brief review of an update on the progress of the company. So we’ll look at a few of the things that are happening in 2018 and then maybe a bit of a preview about some of our 2019 plans. So this is the agenda that I’ll go through.

So let me start with the slide that describes our disciplined returns strategy and our value proposition that we laid out to the marketplace a number of years ago. It’s a design for the business that we’re in, one we believe is mature. It’s capital-intensive and it’s certainly cyclical. So to succeed, you need to have a very strong portfolio, you need to be a sound capital allocator and you need to manage uncertainty because that’s what’s present in our business. That’s the foundation of our value proposition. On the left, you can see our unique low cost of supply portfolio. In the middle are our principles, namely: we’re focused on returns, our financial strength of the company; peer-leading distributions in growing the company, growing the company organically and growing our cash flow through -- and our debt-adjusted per share cash flow metrics.

In all those cash -- in the cash allocations, how we allocate that cash is shown on the right-hand side of this chart. There are priorities we’ve followed since we launched this value proposition a number of years ago. And together, we believe these characteristics, these principles and these priorities position us to work through a range of commodity price cycles that we see in our business. We want to be the energy company that can deliver superior returns and performance through all those cycles, through the ups and the downs of our business. And to do this, we position our company to be quite resilient, resilient to low prices and also offer investors significant upside as prices recover. And that’s what we try and describe here on this next slide.

Now for resilience to low prices, the name of the game is to have the lowest cost of supply in the business today. And we believe we have an industry-leading position in that regard. We can pay a growing dividend and sustain our production at less than $40 per barrel. We think that’s industry-leading. And we can do that because we have a portfolio that doesn’t have a lot of capital intensity. We have high-margin production and we have a relentless focus on the cost side of the business as well. Today -- captured in our company today, we have 16 billion barrels of resources that have a cost of supply that average less than $30 a barrel. And that represents 30 years of inventory for the company. So it’s not just about today, it’s about the long-term viability and sustainability of our company and our business.

Our portfolio is diversified. We have a very strong balance sheet. So it’s that financial strength in the portfolio that’s going to help us outperform in periods of low prices that we inevitably will see in this business. But we also have upside to the higher prices. And that’s shown on the right-hand side of this chart. That’s because our portfolio has advantaged realizations in margins because about 75% of our portfolio is tied to Brent oil prices, not WTI or other markers that we have in this business.

And our assets are predominantly positioned in regimes that don’t cap our upside, like some of the profit-sharing contracts that we have around the world. We’re unhedged. So we take full advantage as prices start to rise in the marketplace. And then we have the flexibility to manage our distributions to our shareholders, either through our share buybacks or through the growing dividend that we have as a company.

But while we think we have a sound value proposition, we think that it’s necessary, but it’s not sufficient. You got to execute well. We know you have to execute well and we think we did that in 2018. And this is kind of shown a little bit on this slide.

We set aggressive operational targets, and they were very aligned with the value proposition that we’ve been executing in the company. We grew our underlying production more than 5%, while keeping our costs in check. We successfully executed a $6.3 billion capital program across all the business, across the whole world. And we maintained our best year ever safety record. And you can see how we performed relative to other industry benchmarks. Because our commitment to safety and our stewardship of the environment is the top priority at ConocoPhillips. And the strong HSE
performance underpinned our accomplishments in '18. So it has to start with safety. It has to start with that kind of performance and environmental performance. If you’re an efficient company -- or a safe company, you can be an efficient company. And that’s what we were in 2018. Now I’m not going to cover everything on this slide, but I do want to highlight a few things on it.

And if you recall in 2018, if you follow the market, it was pretty volatile. We started the year at $60 a barrel, we went to $80 a barrel midway through the year and we finished at $40 a barrel at the end of the year. So that’s a cycle that we went through just in 2018 alone. But you step back for a minute and look, we generated 12.6% return on capital employed, which was a 20% improvement in our company when Brent prices were over $100 a barrel. That’s remarkable. That’s a lot of hard work by the employees of this company doing everything -- doing all the right things to really focus on improving the returns inside the company. If you include our dividends and the share repurchases made, we returned over 35% of our cash from operations to our shareholders. And that was funded from our organic cash flow, unique in the business. One of the few E&P companies that can make that claim and do that.

We delivered strong performance. We finished the year with about $6.4 billion of cash on the balance sheet and short-term investments. And we were rated A credit by all the 3 major credit rating agencies, indicating a very strong balance sheet that can withstand all these cycles and the volatility we see in the market.

So operationally, like I mentioned, I’m pretty proud of the organization and their delivery on all the targets that we set for ourselves last year.

We safely executed our capital program that drove that underlying growth, and that was 18% on a per debt-adjusted share basis, which is industry-leading.

Our Lower 48 business grew 37% year-on-year. So when people think about and talk about the growth coming from the unconventional pure-plays, you look at our Lower 48 business, it performed every bit as competitively as those pure-play competitors that we have.

We made great progress on adding additional resources into our resource database. We did smart bolt-on acquisitions in Alaska. We added acreage positions in the Lower 48, and we continue to do ongoing portfolio optimization to make sure that we’re investing in the lowest-cost supply opportunities in the portfolio that deliver the highest margin.

We replaced 150% of our production. So we're thinking about the future, thinking about the longer-term piece of the business as well. So it's a good year for ConocoPhillips in 2018. But we know you can’t just rest on your laurels, you have to think about setting goals for 2019. And let me talk a little bit about where we're headed for you as well.

So we, again, entered 2019 as the largest independent E&P Company in the business today based on reserves and production. We're about 1.3 million barrels a day of production, heavily weighted to Brent prices. We, like I said earlier, have a 16 billion barrel resource base with the cost of supply that averages less than $30 a barrel. Portfolio is pretty balanced, as you see, between conventional, unconventional and long-life, low-decline LNG and oil sands assets that’s shown there in the middle chart. And then you can see the bottom chart. We’ll spend another about a little over $6 billion this year to grow and develop the company. And what are we going to deliver? These kinds of milestones that we set forth. We’re sticking to our plan. We’re sticking to a disciplined capital plan that grows the production. So production would be between 1.3 million and 1.35 million barrels a day. We’ll stay focused on free cash flow generation. It’s the name of the business. You got to grow your cash flows and you got to deliver distinctive returns back to the shareholders.

So we announced the $6.1 billion capital program, that combined with $3 billion of share buybacks. It will be the third year in a row that should deliver production growth that’s between 5% and 10% on a per debt-adjusted share basis, which is industry-leading.

So we're maintaining. And while we do this, we got to operate safely, and we're going to maintain our history on operating safely with respect for the environment. And I want to talk a little bit about that next.

So you see here a diagram on our Sustainable Development Governance in the structure, which extends from the Board, all the way down to my executive leadership team, all the way down to the field operations. Now we use -- utilize a pretty integrated management system that helps us
identify that approach to identify the assets and mitigate the ESG risk. And we also highlight here our recently published our first stand-alone climate change report, which provides increased transparency, as recommended by the task force, on climate-related financial disclosures. So we adopted a lot of what they said into our first ever report.

This climate change report, in addition to our sustainable development report, highlights a lot of our sustainable development businesses and the actions that were taken and the progress that we made in the business. Now the important part of this, we remain committed to all the communities that we operate in, near all our operations around the whole world. So we’re committed to stay engaged. We’re committed to stay connected and understand their interest or concerns with respect to any developments that are occurring in their area.

We’re also committed to our people inside the company so that human capital is a core priority for the company as well. So it is about attracting and developing and retaining and rewarding employees. We know that, that’s key to our long-term success. Like we’re proud of the track record we’ve created as a company, you should be proud of the track record we’ve created for the company in this ESG space. And we strive to improve our performance every year. We’re not satisfied with where we are today. We continue to strive to move that forward.

So I’m going to wrap up with kind of our bumper sticker. It’s what we believe is a powerful framework that underlies the culture of the company, everything that we do as a part of ConocoPhillips. And that’s smart growth, superior returns and our SPIRIT Values. By smart growth, we mean disciplined growth, spending within our cash flows, focused on free cash flow generation, allocating capital prudently across the portfolio, and that portfolio’s a diverse global portfolio.

What do we mean by superior returns? We mean predictable, competitive returns on capital to our investors and investing in our lowest-cost of supply opportunities in the portfolio today and driving higher financial returns on capital for the company. And then finally, it’s all about our SPIRIT Values. That’s the core. That’s the heart and the culture of the company. It’s about safety. It’s about people. It’s about integrity. It’s about responsibility, innovation and teamwork. That’s our guiding light. That’s our moral compass to how we execute in this business.

So hopefully you get a sense. That’s a look back to 2018, a little bit on where we’re going in 2019, and why we think we’ve set up the company to outperform our competition and really shine a light on what we believe is a quality portfolio, quality management team, quality set of assets and certainly a Board that is incredibly engaged in the company and helping us deliver on these kinds of results. And we intend to repeat that year in and year out.

So with that quick update, thank you. Let me now call the meeting to order. We'll first present the 3 proposals submitted by management for approval. And then we'll take your questions. We found that the best way to ensure that 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 the Q&A session after the proposals have been presented. After that Q&A period, we'll take any ballots from anyone in the audience that hasn't already voted by a proxy and announce the results of the voting.

Kelly, can you report whether a quorum is present for the conduct of business?

Kelly Brunetti Rose - ConocoPhillips - Senior VP of Legal, General Counsel & Corporate Secretary

Our inspector of elections 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 M. Lance - ConocoPhillips - Chairman & CEO

Thank you, Kelly. And the meeting will now consider the 3 business items on the agenda. We'll present each business item one at a time.

Item 1 on the agenda is a proposal to elect the 11 directors to serve a term of 1 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 the proposal to ratify the appointment of Ernst & Young as the company’s independent registered public accounting firm for 2019. The audit and finance committee reappointed Ernst & Young to serve as ConocoPhillips’ independent registered public accounting firm for 2019 and seeks ratification of that appointment by the stockholders. As indicated in the proxy statement, representatives of Ernst & Young are here today, and they are available to answer questions you may have for them during the stockholder question-and-answer session.

And finally, item 3 on the agenda is an advisory proposal to approve the compensation of the named Executive officers, as disclosed in the proxy statement. As indicated in the proxy statement, the Board of Directors recommends that the shareholders vote in favor of this proposal.

So those are the 3 items for consideration. Now I’ll take questions and comments from the stockholders in the room, and we’ll also answer questions that were submitted online in advance of the meeting, if our time allows. In the event we are unable to answer all questions submitted in advance due to time constraints, we will post those responses to those questions on our website within 72 hours.

Now if you have a question or comment, you may approach the microphone nearest you and a host will be available to assist you. Pursuant to the meeting guidelines, each stockholder will be allowed to speak for up to 2 minutes and ask no more than 1 question each time the stockholder is recognized. Additional turns will be given to those who’ve already spoken, if time permits. Questions should be brief as possible and relevant to the matters of concern of the shareholders generally. Please note, if any shareholder has not delivered his or her proxy, you may cast your vote by ballot at this meeting. If you’ve already submitted a ballot proxy, your votes will be cast as indicated on your proxy card. You do not have to vote by ballot unless you wish to change your prior proxy vote. And if you need a ballot, please raise your hand and we’ll get them to you.

So I’ll open it up to the floor for any questions you may have for me or the Board.

QUESTIONS AND ANSWERS

Ryan M. Lance - ConocoPhillips - Chairman & CEO

Welcome back, Donna.

Donna Meyer

I'm getting to be a familiar figure. I just happen to live in Houston, you know, but I do care about Houston companies and them being very successful. So good morning Mr. Lance, Board of Directors and fellow shareholders, I'm Donna Meyer with Mercy Investment Services, a ConocoPhillips' shareholder. We're also partners and I'm speaking on behalf of Boston Common Asset Management. Both of us are supporters of the Climate Action 100+, a 5-year investor initiative that aims to partner with companies to enhance corporate governance, to mitigate climate change, to curb emissions and to strengthen climate-related financial disclosure from the companies -- from those companies with great opportunities to tackle climate change. We believe that climate change is one of the largest systemic risks we face today. Delays in climate change policies and responses by companies can increase the risks to our investments. To date, over 324 investors from 27 countries with about $34 trillion in assets under management have signed up to support the Climate Action 100 initiative. That's equivalent to about 1/3 of all assets under management globally.

ConocoPhillips was selected as a focus company due to its relatively high greenhouse gas emissions, especially from the end use of its products. And Boston Common is a leader of the engagement with Hermes, Walden and the San Francisco Employees' Retirement System serving as co-leads. We want to commend ConocoPhillips for its robust engagement with investors and other stakeholders this past year on climate change. And I noticed that Mr. Lance showed a copy of the new publication managing climate-related risks. This report -- and I heard from staff, that it took a bit of energy to produce it as well. So the report is really a cohesive overview that includes innovative data and metrics. It raises the disclosure bar for all other oil and gas companies, we believe.

The Climate Action 100 group has agreed to ask for common commitments from the boards and senior management, and they were covered by at this last annual meeting in 2018, but I'd like to summarize what we're asking from ConocoPhillips for 2019 and 2020.
First is to add climate change metrics to the executive and employee renumeration policies. Second is to more fully report using the TCFD recommendations for disclosure of the company’s climate transition plans, consistent with the Paris Agreement, including capital expenditures. Third is to report on public policy principles and ensure that its public policy advocacy is aligned with the Paris Agreement. Fourth is to detail further its methane emissions management program to reduce its operational emissions. Fifth is to report on its currently -- on its current reporting -- that its current reporting matches the TCFD framework that it discusses the gaps and areas that it needs to and intends to improve over time. And sixth is more details on the potential financial impacts from low carbon change scenarios. In conclusion, we are pleased that ConocoPhillips has already begun addressing many of these objectives. And, if I may, I would like to ask a question, and that is, what can we look forward to the company achieving further in 2019 toward these objectives? Thank you, we encourage your continuing work on this important work.

Ryan M. Lance - ConocoPhillips - Chairman & CEO

Thank you, Donna. I think the company is committed to that. As you referred to our first climate action report, we are committed to updating that. We'll take your recommendations and proposals into consideration as we do that. We do have climate-related goals and metrics in our annual compensation programs. We do follow the TCFD recommended in terms of how we're reporting and follow through. We’ll be doing more updates to our scenario planning as we go into the strategy session with the Board. So many of the items that you’ve talked about are front and center in the company as we look forward over the next couple of years. But we'll look into more of your proposals as you stated. Thank you. Hello, Steve, please?

Steve Mason

Chairman Lance, my name is Steve Mason. I'm Director of Brethren Values Investing for Church of the Brethren Benefit Trust. That rolls right off the tongue. Our offices are located in Elgin, Illinois. And it’s mid-May and this feels like the place to be. I had contemplated not standing up here today. In our faith community, we have what's called the Ministry of Presence. And then in that circumstance, we are present in the room, showing support. And maybe even a slight reminder of what our particular concern is. But when I arrived, I saw that I had a purple nametag.

Ryan M. Lance - ConocoPhillips - Chairman & CEO

You got a speaker tag.

Steve Mason

I did. So that give me an opportunity to stand up here. And for those of you who have been here when I've been here and there he goes again, my answer to that would be good. I won't be long. In fact, you had indicated that you would like a brief question. My question would be so brief that you won't even notice it. Just a couple of comments. In March of this year, representatives of the company and investors reaffirmed the importance of the rights of indigenous peoples where the company conducts its business. In October, we will gather again in New York, and we will hear how the company is considering an internal structure that deals with the governance and training related to the rights of indigenous peoples and other social issues just like it already has in place for climate change and other environmental issues. We affirm that. We look forward to that report. I would -- the only other thing I would say is, I'm here. I'd be happy to talk with anyone about our group's concerns and interest in this regard. And then finally, I would say thank you for the way that the company continues to reach out and engage with shareholders, investors. We think that's a model that should be emulated. Thank you.

Ryan M. Lance - ConocoPhillips - Chairman & CEO

Okay. Thank you, Steve. Yes, ma'am.
Rhonda Anderson

(foreign language) Rhonda Anderson. My enrollment village is Kaktovik. It's the only village in what is known as Area 1002 of the Arctic National Wildlife Refuge. And I represent the voices of actual human beings who oppose drilling. The many people of my village reject the false narrative created by ASRC Corporation-based media projects, such as the Voice of the Arctic and We Stand with Kaktovik.

The indigenous people of the North Slope are overwhelmingly against drilling in both land and sea as subsistence hunting, fishing and whaling are threatened by this proposed drilling. The food we have traditionally gathered for thousands of years makes up easily 90% of our diet on the North Slope. And purchasing expensive shipped-in foods does not provide adequate nutrition nor provide us with the skins and furs for our cultural needs. If drilling were to happen, accessibility to our land-based subsistence resources will become nearly impossible. There is no accounting in the EIS for the catastrophic damage that construction would do to the fragile ecosystem, the rich biodiversity, the Caribou herds, the migrating birds or the endangered polar bears and their dining habitat. There will be an irreparable damage from contamination of precious freshwater, land and air. Human beings, families and children will be faced with rising cases of asthma, cancers and diabetes as their lives will be changed forever by the toxic aftermath of drilling.

Science proves the irreversible dangers of fracking industry to the land and surrounding waters. Science proves that fracking results in the rise in earthquakes. And to add fracking to an already earthquake-prone area with unstable permafrost is incredibly dangerous and irresponsible. Climate change is happening at an alarming rate and felt most harshly in Arctic regions. Decisions made in the '60s, '70s and '80s do not take into account the long-range effect regarding climate challenges. Now we do understand, and we know what the cost of extractive industry is on our precious lands. Now is the time not to invest in a failing industry of the finite supply of oil and gas. These are fuels of the past and we have better options.

Do not be complicit in the destruction and the collateral damage of irreplaceable and valuable intact lands and the lives of indigenous peoples who depend on this land since time immemorial. So please, ConocoPhillips, please commit to the investment of renewable energy. And my question to you today is, what is ConocoPhillips’ position on drilling in the Arctic Refuge? And what will it take for you to commit to not pursue the drilling or exploration on the of the coastal plain of the Arctic refuge? (foreign language)

Ryan M. Lance - ConocoPhillips - Chairman & CEO

Thank you for your comments. I think, you know, as people well know, our efforts in the North Slope of Alaska, we've been there for over 40 years. We've been one of the -- really our heritage goes back to the company that discovered oil in the North Slope. Our focus has been in the West in NPR-A where I think we've demonstrated and have the support of the local village of Nuiqsut to support the efforts that we have ongoing on the western side of the North Slope and NPR-A. We have not opposed the drilling of -- or the opening of the 1002 Area at ANWR. We think industry has demonstrated that we can do it responsibly and we can do it still by allowing the local residents to subsist off the land. We've demonstrated that in the Western part of the world with talk to the Kuukpik Village Corporation, talk to the people of the city of Nuiqsut. And I think you'll see what we've done has been responsible and done with the environment in mind, and done collaboratively with the owners and the heritage of the land. So I think we've demonstrated, as a company, that we have a strong record that we're willing to stand behind with respect to our developments on the North Slope of Alaska. Yes, ma'am?

Bernadette Demientieff

(foreign language) My name is Bernadette Demientieff, and I'm the Executive Director of the Gwich’in Steering Committee, founded in 1988 by the Gwich’in elders and chiefs. I'm here representing my people, the Gwich’in nation, and our traditional territory spans what is known as Alaskan and Canadian Arctic. I have traveled down here from Alaska to show the importance of the coastal plain of the Arctic National Wildlife Refuge to my people and to urge ConocoPhillips not to drill on our sacred lands. For the Gwich’in people of the Arctic Refuge, coastal plain is sacred ground.

For thousands of years, my people have spanned along the migratory route of the porcupine caribou herd and depended on their herd for food and our way of life. Today, wild gaming, including the caribou, still provides 80% of our food diet. ConocoPhillips already has a significant presence in Alaska. But I hope I can help you understand that the coastal plain needs to remain off-limits. Drilling here for the caribou calve would harm the herd and disrupt the migratory route that have been -- they have been following for centuries, posting a direct threat to my people, the Gwich’in. I know it’s hard for people who live in a city like Houston to understand what our lives are like or why this place matters so much to us. They can’t imagine what it would be like to live our traditional ways of life or to hunt and survive off of the land because it is so far removed from their own
experience. And maybe it sounds unrealistic to them that we share a spiritual connection to the porcupine caribou herd. But the hearts of the Gwich'in nation and the caribou have been linked since time immemorial. Our creation story tells us that the Gwich'in will always carry a piece of the caribou heart and the caribou heart will always carry a piece of our heart. What befalls the caribou befalls the Gwich'in. There is also serious financial risk to leasing in the coastal plain. Last year, a group of institutional investors with more than $2.5 trillion in assets under management sent a letter to oil companies, including ConocoPhillips, to express their opposition to Arctic Refuge drilling. I also sent out a letter of opposition with over 100 indigenous allies of groups signing in support with the Gwich'in nation. This is more than an environmental issue. This is a human rights issue. We do not -- we do have allies across the United States and internationally that stand with us. Over 70% of Americans oppose drilling in the coastal plain. But the 2017 GOP tax bill snuck a provision into the -- to open the coastal plain of the refuge. And I've just -- before I ask my question, I want to let you know that I know that there is misrepresentation. Our animals are being impacted. The community of [Nuiqsut], they don't hunt the caribou anymore because they are contaminated. They get sick when they eat it. Our animals are suffering. And I'm using my voice for them. They have ticks, they have sores on their body and they are sick. So no, our animals will be impacted and I'm here -- when I see different -- nobody can -- we see what's happening. So we are here with our voices hoping that you guys would really understand where we're coming from. We're not asking for anything. We're asking to keep our identity as indigenous people. We have lived in this area for thousands of years. Don't take that from us. You have the ability to stop this or -- at least you not going in there. We're human beings. I'm a grandmother of 5. Please just understand more. Come get to know us. We're real people. My question is, will ConocoPhillips make a commitment not to pursue drilling in the sacred homelands of my people, the coastal plain of the Arctic refuge?

Ryan M. Lance - ConocoPhillips - Chairman & CEO

Well, thank you. I think I answered much of the question. We will look at it. We'll take your consideration into and your plea, it's well founded. We understand. We think if you look at our record, you look at what we've done on the North Slope, you look at what we've done with the city of Nuiqsut. I spent 14 years in Alaska. I spent many nights in the village of Nuiqsut myself. So I understand what the importance of subsistence hunting is to the peoples. And how important the animals, not only the bowhead whales but the caribou, as you speak of, and the central caribou herd and the porcupine caribou herd. So appreciate you coming today. I appreciate your passionate plea as well. So thank you. Yes, sir?

Fred Council

Good morning, Mr. Lance. My name is Fred Council and I affirm I'm a share owner.

Ryan M. Lance - ConocoPhillips - Chairman & CEO

Good, thank you Fred.

Fred Council

I wish to compliment for the check-in security, this meeting room attendance and compliment to share-owners who've come in person with questions. Mine a follow-up to last year water, water not replaced. Water reused is not injected. In the proxy statement 2019 Page 15, water is very important. So my concern, the earthquake seems to be a coincidence of wastewater injection. Focusing on Cushing, Oklahoma after several earthquakes, the manifold and the tanks have survived in a disruption. So my question to the company is a earthquake damage to predesigned water injection? The second question to the industry, exploration and production, concern of consequence beyond coincidence, that it seems water injection in the Lower 48, I focus on is a concern. And a third question that the earthquake insurance coverage and the damage to the company. To Cushing downtown, for example, significant older building property damage, so residential property. Any concern to the industry and this company that the insurance company might come after the root cause, which might be wastewater injection?
Ryan M. Lance - ConocoPhillips - Chairman & CEO

Well, thank you. I think industry experienced this problem a number of years ago, where water that was produced from our operations were injected deep into the Arbuckle in Central Oklahoma, as you’re describing today, and did result in a number of small earthquakes. So I think there was demonstrated that there was a cause and effect there. I think as industry looked at that, and I should point out ConocoPhillips has no operations in that area. So we have no wells, we have no operations in that area. So I’m just now reporting what I understand industry being a part of API and being a part of the industrial complex in the oil and gas business. It is a very manageable problem, once they reduce where they were injecting the water and the pressure with which you are injecting it at stop the sub-surface problems that were going on with respect to earthquakes. So it’s a very manageable problem. I think in our company, we’re spending time. We understand where water is precious. It’s precious all over the world. And we reproduce it out of our operations. We’re trying to clean it up, so we can reuse it again in our operations. But also where we do have to dispose of water in places in Texas and other places, we’re very careful to make sure that we understand that there is no seismicity that’s involved as well when we’re injecting the water for disposal. And we do that deep into the ground underneath the freshwater aquifers that people use for drinking water. So I think industry is looking at that problem solving and it’s obviously something that we don’t want to happen in this industry and can’t afford to happen. But our operations are unaffected by what has happened in Oklahoma over the last 3 to 4 years. We don’t have any operations in that part of the world.

Fred Council

Thank you. And the disruption possibility is significant. I don’t focus on oil in Cushing, it could be Henry Hub, now it’s not the manifold, but it’s the supply pipes to and from. It’s the disruption to the whole infrastructure that might be set out of balance. So I appreciate the comment there.

Ryan M. Lance - ConocoPhillips - Chairman & CEO

Thank you. And I think the answer is, we can’t produce any more earthquakes. So we can’t. We need to minimize that. Thank you. Any other questions?

John Karen

I’m [John Karen]. I’m just a shareholder. Thanks for not having a long paper to read. My question is, what is Conoco doing to protect Conoco technology as you invest in China?

Ryan M. Lance - ConocoPhillips - Chairman & CEO

Yes. It’s a good question. So we’ve had a long-standing partnership with the Chinese National Offshore Company, offshore Bohai Bay in South China Sea in China. We’ve been in China since the late ‘70s. One of the first international companies to go into China. And today I think we’re still one of the largest producers. So what we do is we protect our IP. We keep it – obviously, we spend a lot of money on cyber security inside the company, making sure that no one can get inside the company, steal some of the IP that we do have. It’s interesting in this business relative to the kind of operations we have in China, we’ve been willing to share our technology with the Chinese because it helps improve the profitability of those fields. So there is not a lot that we don’t share, but some that we do share with them as well and try to help them improve their technical capability. But it’s stuff that’s not proprietary to the company. And it’s stuff that we’ve experienced and used throughout our operations and we think will actually help what’s going on in China. But, you know, we do spend a lot of time to make sure that we don’t get hacked, to make sure that our systems are secure and our IP that we hold as a company is secure. And to date, we’ve verified that, that’s the case. We haven’t had any instance where some of our IP has been stolen to date. Thank you.

Any other questions? All right. Well, thank you. We’ll now take a vote on all the proposals properly presented before the meeting today. And I declare that the polls are now open. If you have not completed your ballots, please do so at this time. The meeting host will now collect the ballots. If you do please pass them to the center aisle so they could be collected. Looks like all have been collected. Thank you. One, any other? All right.
So it appears that the ballots have been collected. So I declare the polls closed. The inspector of election has filed a certification of the preliminary results of the voting. Kelly, would you please read those results?

Kelly Brunetti Rose - ConocoPhillips - Senior VP of Legal, General Counsel & Corporate Secretary

Mr. Chairman, the preliminary results based on the voting of shares represented by valid proxies on file and tabulated at the meeting this morning showed that each of the 11 nominees for election have been elected as directors to serve a 1-year term expiring at next year’s annual meeting. Each director nominee received at least 95% of the votes present at today’s meeting.

The appointment of Ernst & Young as the independent registered public accounting firm for ConocoPhillips for 2019 has been ratified, having received the favorable vote of more than 95% of the votes present at today’s meeting.

The advisory approval of executive compensation has passed with more than 91% of the votes present at today’s meeting cast in favor of the proposal.

Mr. Chairman that concludes the report of preliminary voting. Details of the preliminary results will be available for all stockholders in our filings with the SEC within 4 business days. Stockholders may also obtain the voting results by calling or writing the office of the Corporate Secretary.

Ryan M. Lance - ConocoPhillips - Chairman & CEO

Thank you, Kelly. That completes the business scheduled for today. The meeting is now concluded. And a sincere thank you for all that have joined us here in the meeting today in the room, and those that have joined online and through the webcast. So thank you. I appreciate it.