

401(k) Savings and Profit-Sharing Plan



(Performance Pipe Hourly Employees)

CONTENTS

Tips for Finding Information ... Fast!

Click on the above link to see how you can use the document's search function to quickly find the information you need.



Overview and Important Features	212
Your 401(k) Plan Contributions	216
Company Contributions	219
Investment Options	223
Choosing Your Investments	223
Chevron and ConocoPhillips Stock Funds	226
Selling Chevron and ConocoPhillips Stock	226
Investment Fees	229
Making Investment and Contribution Rate Changes	230
Vesting	231
Participant Accounts	232
Withdrawals	234
Loans	237
Account Statements	243
Distributions	243
Qualified Domestic Relations Orders	248
Administrative Holds	248
Tax Information	249
Fidelity's NetBenefits®	252
Situations Affecting 401(k) Participation	255
Other Situations Affecting 401(k) Benefits	257
Other Important Information	258



Overview and Important Features

The Chevron Phillips Chemical Company LP 401(k) Savings and Profit-Sharing Plan (the Plan), provided by Chevron Phillips Chemical Company LP (Chevron Phillips Chemical or the Company), is a long-term savings plan that allows you to enjoy a break on your current taxes while you save for your future.

Subject to certain limits and restrictions, you decide how much of your pay you want to contribute to the Plan and how you want the money in your Plan accounts invested. The Company helps by providing matching contributions. Based on Chevron Phillips Chemical's performance, the Company may also add profit-sharing contributions to your account. Fidelity Investments Institutional Services Company, Inc. (Fidelity) serves as the Plan's recordkeeper.

If you are eligible, the Plan enables you to:

- Save from 1% to 40% (16% if you are a highly compensated employee) of your eligible earnings, up to federal limits, on a pre-tax basis (Pre-Tax Contribution Account), after-tax basis with Roth contributions (Roth Contribution Account), and/or after-tax basis (Medical Savings Account),
- Receive Company matching contributions on your eligible pre-tax and/or Roth contributions,
- Receive profit-sharing contributions based on the Company's performance,
- Invest your own and the Company's contributions in a wide array of investment funds,
- Accumulate investment earnings on a tax-deferred basis,
- Borrow from your 401(k) assets,
- Withdraw funds for qualifying hardship reasons,
- Earn a nonforfeitable right to Company matching and profit-sharing contributions after three years of Vesting Service, and
- Begin saving for retirement medical expenses through after-tax contributions to a Medical Savings Account.





This version of the summary plan description applies if you are an employee of the Company paid on an hourly basis at Performance Pipe in Brownwood, TX; Hagerstown, MD; Pryor, OK; Startex, SC or Williamstown, KY; or an hourly employee of the Company hired on or after January 1, 2004 at Performance Pipe in Knoxville, TN or Reno, NV. Separate versions of the summary plan description apply for other Chevron Phillips employees.

WHO'S ELIGIBLE

Employees of the Company and any of its affiliates that are participating employers in the Plan, including employees who are members of certain collective bargaining groups, are eligible to participate in the Plan as soon as they are hired, provided they are eligible employees. For this purpose, eligible employees generally include all employees of participating employers.

You are **not** eligible for the Plan if any of the following applies to you:

- You are classified by the Company as a leased employee,
- You are covered by a written contract stating that you are an independent contractor rather than an employee (even if the IRS reclassifies you as an employee for tax withholding purposes),
- You belong to a unit covered by a collective bargaining agreement that does not provide for your participation in the Plan,
- You are on the payroll of a third party with whom the Company has contracted for your services,
- You are deemed to be an employee, but you are not on the payroll,
- You are subject to a written agreement that states that you are ineligible to participate in the Plan,
- You are eligible to participate in the Chevron Phillips Chemical Puerto Rico Core LLC Savings Plan, or
- You are classified by the Company as a temporary employee, a seasonal/co-op employee or an intern, and have **not** completed 1,000 hours of service during the one-year period commencing with your date of employment or during any plan year commencing after your date of employment.





Provided you are an eligible employee, there is no waiting period prior to participation; nor is there a minimum age requirement.

HOW TO ENROLL

An enrollment package will be mailed to eligible employees. This enrollment package includes an overview of the Plan as well as:

- Information that will help you with the initial enrollment decisions available to you,
- Instructions for generating your Personal Identification Number (PIN), and
- Instructions on how to enroll by contacting the Chevron Phillips Pension and Savings Service Center 24 hours a day at 1-866-771-5225 or through an interactive Web site, www.netbenefits.com.



You may use the Chevron Phillips Pension and Savings Service Center's automated phone system or www.netbenefits.com to specify:

- The percentage of eligible earnings you wish to contribute, and
- How you want to invest your Plan assets.



Important — Automatic Enrollment!

If you do **not** want to participate in the Plan, you must indicate this preference by calling the Chevron Phillips Pension and Savings Service Center at 1-866-771-5225 or by logging on to www.netbenefits.com.

Otherwise, you will be automatically enrolled for a pre-tax contribution of 3% invested in the applicable Fidelity Freedom Fund and your contribution will be increased annually by 1% until it reaches 8%.

Changing Your Elections

To change or stop your contributions as of any pay period or to change your investments as of any business day, contact the Chevron Phillips Pension and Savings Service Center at 1-866-771-5225 or log on to www.netbenefits.com.

You have the right to opt out and request a return of your contributions, adjusted for gains and losses, up to 90 days after you have been automatically enrolled in the Plan by calling the phone number above. It is important to note that if you process any fund exchanges within your account, you are no longer eligible for this withdrawal.

You will need your Social Security number and your PIN to access either system. When you use your PIN, you are authorizing transactions to be made on your behalf. **Because your PIN is your electronic signature, be sure to protect it and do not give it to anyone else.**

Your payroll contributions to the Plan become effective with the next available pay cycle after your enrollment request or automatic enrollment is processed.





Your 401(k) Plan Contributions

Eligible Wages

For purposes of this Plan and this document, your eligible earnings include your base pay plus any shift differentials, regularly scheduled overtime, unscheduled overtime, holiday pay, sick pay, vacation pay and call-out pay.

Your eligible earnings do **not** include Employee Incentive Plan (EIP) bonuses, any relocation pay, educational reimbursements, premium pay, vacation lump-sum payments and/or cash awards.

In addition, for purposes of the Company match and profit-sharing contributions to the Plan, eligible earnings do not include unscheduled overtime, premium pay or call-out pay.

Retroactive Pre-Tax Contributions

Retroactive pre-tax contributions may be made to the Plan following a military leave. If this situation applies to you, contact the Chevron Phillips Employee Service Center at 1-800-446-1422 and press option 3.

PRE-TAX CONTRIBUTIONS

Most eligible employees may contribute from 1% to 40% of their eligible earnings on a pre-tax basis to the Plan. Your contributions must be in whole number percentages and are subject to annual Internal Revenue Service (IRS) limits. For more information, see **Annual IRS Contribution Limits** on page 221. Highly compensated employees (HCEs) may make pre-tax contributions of 1% to 16% of eligible earnings on a pre-tax basis. Generally, you are an HCE if you earned more than \$110,000 (the limit for 2011) during the prior plan year.

You won't owe federal income taxes (and, in most states, state income taxes) on your pre-tax contributions or on any earnings associated with them until they are withdrawn from the Plan. Although pre-tax 401(k) contributions reduce your taxable income, they won't affect your future Social Security benefits. That's because your 401(k) contributions are subject to Social Security taxes at the time of contribution.

Pre-tax contributions are made through payroll deductions and are calculated and credited to your account each payroll cycle. All of your pre-tax contributions — plus any related earnings or minus any losses — are maintained in your Pre-Tax Contribution Account. For more information, see **Participant Accounts** on page 232.

You may change your contribution rate and/or the direction of your investments at any time by contacting the Chevron Phillips Pension and Savings Service Center at 1-866-771-5225 or by logging on to www.netbenefits.com.

ROTH CONTRIBUTIONS

Most eligible employees may contribute from 1% to 40% of their eligible earnings on a Roth after-tax basis to the Plan. The combined total of both your pre-tax and Roth contributions to the Plan cannot exceed 40% of your eligible earnings (16% for highly compensated employees). Your contributions must be in whole number percentages and are subject to annual Internal Revenue Service (IRS) limits. For more information, see **Annual IRS Contribution Limits** on page 221.



These contributions are subject to federal and state income taxes when they are made to the Plan, but you won't owe federal income taxes on any earnings associated with your Roth contributions when they are withdrawn from the Plan, provided you:

- Have held the account for five (5) years or more, and
- Are at least age 59½ before you take a withdrawal.

AFTER-TAX CONTRIBUTIONS: POST-RETIREMENT MEDICAL SAVINGS ACCOUNT

In addition to pre-tax and Roth after-tax contributions, you can make other after-tax contributions to the Plan. These contributions, which are earmarked to help pay medical expenses after you retire, do not receive a Company match. Through this type of arrangement — called a Medical Savings Account (MSA) — you are able to defer payment of income taxes on the earnings on your investments within the account. The combined total of all your pre-tax, Roth and after-tax contributions to the Plan cannot exceed 40% of your eligible earnings (16% for highly compensated employees).



Although this MSA feature is intended to encourage you to save for medical and other health care expenses (including health care plan premiums) that you'll face during retirement, you may use the proceeds from this account for any purpose after you retire or terminate employment with the Company. If you die and your beneficiary is your spouse, he or she may use this account as an MSA or may elect to receive the value of the account as a cash payment.

These MSA contributions are subject to income taxes when they are made. The contributions are not subject to income taxes when they are distributed to you because you have already paid taxes on them. However, any investment earnings associated with your after-tax contributions are subject to taxation according to the tax laws in effect at the time they are paid to you or to your beneficiary.



In addition to having to be age 50 or older, in order to be able to make catch-up contributions, you **must** also make the combined pre-tax and/or Roth after-tax IRS annual maximum contribution (\$16,500 in 2011) to the Plan (see page 221). Otherwise, your catch-up contributions will be recharacterized as pre-tax and/or Roth after-tax regular contributions, as applicable.



CATCH-UP CONTRIBUTIONS

In addition to pre-tax, Roth and/or MSA after-tax contributions, the Plan allows employees age 50 and older to make an additional pre-tax and/or Roth after-tax “catch-up” contribution to the Plan. All employees who turn 50 before the end of the calendar year are eligible to make a catch-up contribution. This catch-up contribution does not receive a Company match contribution.

The annual dollar limit for the catch-up contributions is \$5,500 in 2011. After 2011, limits will be subject to cost of living adjustments (COLAs). Catch-up contributions do not count toward annual IRS contribution limits.

ROLLOVERS FROM PRIOR EMPLOYERS

The Plan accepts distributions rolled over from other eligible retirement plans, including lump-sum distributions. To qualify, the rollover must be in the form of cash. In-kind distributions (such as shares of stock) may **not** be rolled over into the Plan.

Rollovers enable you to defer paying taxes on these distributions, provided the money is transferred directly from your prior plan into the Plan, or, if distributed directly to you, rolled over into the Plan within 60 days from the date you received it. The sponsor or administrator of your prior plan must supply satisfactory evidence that your proposed rollover meets IRS requirements.

All rollover contributions are deposited in your Rollover Account, or Roth Rollover Account if the funds are from a Roth 401(k) plan, and you direct how you want to invest them. They are available for fund transfers, loans and withdrawals, as explained later in this summary. Rollover contributions do not count toward annual IRS contribution limits.



Company Contributions

MATCHING CONTRIBUTIONS

Company matching contributions are based on the first 5% of your eligible earnings (as defined in **Pre-Tax Contributions** on page 216, but excluding unscheduled overtime, call-out pay and premium pay) you contribute to the Plan on a pre-tax basis.

The Company makes a matching contribution of 25 cents for every \$1 of eligible earnings you contribute on a pre-tax or Roth after-tax basis — up to the 5% limit. In other words, if you contribute 5% of your eligible earnings on a pre-tax or Roth after-tax basis, the Company will contribute 1.25% of your eligible earnings. If you increased your contribution to 10% of your eligible earnings, the Company match would remain at 1.25%, because the match is based on the first 5% of eligible earnings you contribute.

Like your own contributions, Company matching contributions are calculated based on your pay each pay period and are credited to your account every payroll cycle.

It is important to note that Company matching contributions stop if you stop making pre-tax or Roth after-tax contributions or if you reach the annual IRS dollar limit. For 2011, this dollar limit is \$16,500. After 2011, the maximum pre-tax contribution limit will be indexed for inflation.



If you plan to contribute up to the annual IRS dollar limit, you'll want to plan your contribution rate so that you don't reach the limit before the end of the year and thus lose Company matching contributions. One way to avoid losing out on any of the Company match is to divide the annual IRS dollar limit (\$16,500 for 2011) by your annual eligible earnings. This gives you the maximum deferral rate at which you should contribute.

For example, if your annual eligible earnings are \$90,000 (\$3,750 per semi-monthly pay period) and you elect to contribute 20% to the 401(k) (\$750 per pay period), you would reach the \$16,500 limit after 22 pay periods. You could not contribute to the Plan or receive a Company match for the two pay periods remaining in the year.

To avoid this situation, you could divide the \$16,500 IRS maximum by your eligible earnings. \$16,500 divided by \$90,000 is 18.3%. Because contributions to the 401(k) Plan must be made in whole percentages, you could elect to contribute 18% for the first 20 pay periods and then change your contribution rate to 20% for the last four pay periods of the year. By doing so, you could contribute to the Plan and receive a Company match for the entire year.



PROFIT-SHARING CONTRIBUTIONS

The profit-sharing feature of the Plan allows you to share in the Company's success regardless of whether you choose to contribute to the 401(k) Plan.

Profit-sharing contributions to your account are based on the Company's performance. Each year the Company may, in its sole discretion, decide to make a profit-sharing contribution in an amount that it determines to be appropriate. Profit-sharing contributions may range from no contribution to up to 5% of your eligible earnings.

For purposes of receiving profit-sharing contributions, your eligible earnings do **not** include unscheduled overtime, call-out pay and premium pay.

Provided you were employed by the Company on December 31 of the plan year, annual profit-sharing contributions, if any, are allocated to your account during the first few months of the following year. Profit-sharing contributions are also allocated to the accounts of employees who retired, were laid-off, became totally disabled or died during the plan year.





ANNUAL IRS CONTRIBUTION LIMITS

As discussed previously, the IRS establishes an annual dollar limit (\$16,500 in 2011) on combined pre-tax and Roth after-tax contributions to 401(k) plans. If your pre-tax and/or Roth contributions reach the dollar limit during the year, these contributions and any Company matching contributions are automatically suspended. Unless you change it, however, your election will remain in place and your pre-tax contributions and/or Roth contributions will automatically restart at the beginning of the next calendar year.

The IRS sets another limit each year on the total amounts that you and the Company can contribute to your 401(k) account. Total contributions include after-tax employee contributions (when applicable), pre-tax employee contributions, Company matching contributions and any profit-sharing contributions.

Your account in the Plan is tested each year to see if your contributions plus Company contributions exceed this legal limit. If they do, your excess contributions and their associated investment earnings or losses are automatically refunded to you in the first half of the following year. Corresponding Company matching and profit-sharing contributions and associated earnings or losses are forfeited and used to offset administrative expenses or to reduce future Company contributions.

The distribution of any refunded excess contributions and earnings (except for any portion of the refunded excess contributions that is attributable to your after-tax contributions) is taxable to you.

Please note that your pre-tax and/or Roth contributions and Company matching contributions stop if you reach the \$16,500 IRS limit; they are not automatically rolled over to after-tax contributions. After-tax contributions are not affected by the \$16,500 limit. Contact the Chevron Phillips Pension and Savings Service Center at 1-866-771-5225 or log on to www.netbenefits.com if you want to make MSA after-tax contributions to the 401(k) Plan once your pre-tax and/or Roth contribution level is reached.



Excess contributions are refunded in the following order:

- After-tax contributions plus associated earnings or losses,
- Unmatched Roth contributions plus associated earnings or losses, then
- Unmatched pre-tax contributions plus associated earnings or losses, then
- Matched Roth contributions plus associated earnings or losses. Related matching contributions plus associated earnings or losses are forfeited to the Plan and used to offset future Company contributions.
- Matched pre-tax contributions plus associated earnings or losses. Related matching contributions plus associated earnings or losses are forfeited to the Plan and used to offset future Company contributions.

A processing fee of \$25 is deducted from your account if excess contributions must be refunded from your account.

In addition to the IRS limits on contributions described above, federal law requires that the Plan satisfy certain non-discrimination standards with respect to pre-tax and matching contributions on an annual basis, which could result in the return of your pre-tax contributions plus associated earnings or losses. Any matching contributions plus associated earnings or losses are forfeited to the Plan and are used to offset administrative expenses or to reduce future Company contributions. You will be notified if this law applies to you.



Investment Options

The Plan allows you to invest your assets in the Plan among a wide variety of investment options. Your choices range from relatively stable, low-risk investments to higher-risk funds that can experience significant increases and decreases in value within short periods of time. You may invest your 401(k) account in one fund or in as many funds as you wish, in whole percentages. Recordkeeping and administrative services for the Plan are provided by Fidelity.

The Plan is intended to fulfill the requirements of section 404(c) of the Employee Retirement Income Security Act of 1974, as amended, and the regulations relating to that section. This means that you have the right to direct the investments of your Plan account in the various investment options. Since you may exercise independent control over investment decisions with respect to your account, the Plan fiduciaries will generally not be liable for losses that are a direct result of your exercise of control over your accounts. It is your responsibility to be aware of your investment decisions. You may want to seek independent investment advice.

The value of your account under the Plan is based on your investment fund elections and the performance of those funds over time. If the funds you choose for your investments increase in value, your account balance increases. If the funds lose value, your account balance decreases.

Choosing Your Investments

Investment education materials are included in the enrollment package mailed to you when you first become eligible to participate in the Plan. Investment education materials will also be sent to you from Fidelity on an ongoing basis. In addition, you can call the Chevron Phillips Pension and Savings Service Center at 1-866-771-5225 or log on to www.netbenefits.com to request the latest information about the 401(k) investment funds.





The Fidelity Freedom Funds offer a blend of stocks, bonds and short-term investments within a single fund. They're designed for investors who don't want to go through the process of picking several funds from the three asset classes but who still want to diversify among stocks, bonds and short-term investments.



Through Fidelity, you can elect to invest in any or all of the following core investment funds in 2011:

- Fidelity Retirement Money Market Portfolio
- Vanguard Total Bond Market Index Institutional Fund
- Dodge & Cox Income Fund
- Vanguard Inflation Protected Securities Institutional Fund
- Fidelity Balanced Fund – Class K
- American Beacon Large Cap Value Fund – Institutional Class
- Fidelity U.S. Equity Index Commingled Pool
- Fidelity Contrafund – Class K
- Fidelity Low-Priced Stock Fund – Class K
- Rainier Small-Mid Cap Equity Portfolio – Institutional Class
- Fidelity Small Cap Stock Fund
- Fidelity Diversified International Fund – Class K
- Fidelity Freedom Funds:
 - *the Fidelity Freedom Income Fund – Class K,*
 - *the Fidelity Freedom 2000 Fund – Class K,*
 - *the Fidelity Freedom 2005 Fund – Class K,*
 - *the Fidelity Freedom 2010 Fund – Class K,*
 - *the Fidelity Freedom 2015 Fund – Class K,*
 - *the Fidelity Freedom 2020 Fund – Class K,*
 - *the Fidelity Freedom 2025 Fund – Class K,*
 - *the Fidelity Freedom 2030 Fund – Class K,*
 - *the Fidelity Freedom 2035 Fund – Class K,*
 - *the Fidelity Freedom 2040 Fund – Class K,*
 - *the Fidelity Freedom 2045 Fund – Class K, and/or*
 - *the Fidelity Freedom 2050 Fund – Class K*
- Spartan Extended Market Index Fund
- Spartan International Index Fund



As previously stated, the Plan has an automatic 3% enrollment provision if you do not make an affirmative election to participate within 31 days from your date of hire. If you do not make an investment election (whether you are automatically enrolled or not), your contributions will automatically be invested in the Fidelity Freedom Fund that has a target retirement date closest to your estimated year of retirement, based upon your current age and assuming a normal retirement age of 65.

You can also take advantage of Fidelity's Mutual Fund Window if you desire a broader range of options in creating your investment portfolio. This Mutual Fund Window, which Fidelity calls BrokerageLink®, enables you to invest among thousands of other mutual funds, including asset categories not offered in the core investment options.

BrokerageLink includes Fidelity mutual funds and non-Fidelity mutual funds. Keep in mind that the mutual funds available through BrokerageLink reserve the right to modify or withdraw the exchange privilege. If you invest through BrokerageLink, please refer to the BrokerageLink Kit and accompanying BrokerageLink Fact Sheet, available from Fidelity, for details and limitations on Plan investments. Brokerage-related commissions, fees and loads are deducted by Fidelity Brokerage Services from your account, if applicable, at the time of a transaction.

Your investment instruction for each investment option you elect must be a whole-number percentage (e.g., 10%, 16%, 31%). The total of your investment instructions must equal 100%.

You can monitor your investment performance by logging on to www.netbenefits.com, where you will be able to view an online summary of your account, reallocate your account balance, change your contribution rate, model a loan and use retirement modeling software to estimate your retirement income. This information is designed to help you learn about your investment options and assist you with your investment decisions. As with any investment, you always assume the responsibility of researching, evaluating and tracking each fund in which you plan to invest.

If you aren't a sophisticated investor, it's a good idea to seek the guidance of a competent, independent professional financial planner or investment advisor. Your personal financial planner or investment advisor can help you determine the level of risk that's appropriate for your financial situation.





Chevron and ConocoPhillips Stock Funds

If you are a former employee of Chevron Corporation or ConocoPhillips Corporation whose prior 401(k) plan account was transitioned to the Chevron Phillips Chemical 401(k) Plan in connection with the establishment of the Chevron Phillips Chemical 401(k) Plan, certain investments you held in Chevron or ConocoPhillips common stock were moved over to the Chevron Phillips Chemical 401(k) Plan as shares-in-kind. If you transferred such an account, your balance is frozen — that is, no new contributions may be made to this account. However, you may liquidate all or a portion of the stock and invest the proceeds in one or more of the core investment funds or the Mutual Fund Window.

Dividends will not be automatically reinvested in your account to purchase additional shares of Chevron or ConocoPhillips stock. The value of any dividends declared on Chevron or ConocoPhillips common stock held in your account will be spread among the core funds in which you are currently invested, according to your existing investment instructions.

Selling Chevron and ConocoPhillips Stock

You are able to sell your Chevron or ConocoPhillips stock in “Real-Time.” “Real-Time Trading” means that when you make a trade, the order is immediately sent to market during normal market hours¹ and is then eligible for execution.

¹ Response time may be subject to market conditions and systems availability. On rare occasions, market conditions, systems availability or other circumstances, may prevent Fidelity from accepting a plan's real-time company stock exchange requests. In that event, no company stock exchange will be allowed and you will not be able to direct your plan's real-time trade. You will be asked to try again at a later time. Neither the plan, nor your employer, nor Fidelity will be responsible for any losses, damages or missed price opportunities in these circumstances.





HOW TO SELL YOUR STOCK

Step 1: Specify the type of order you want — “Market²,” “Day Limit³” or “Good ‘til Canceled (GTC)⁴”

Market	An order to sell the stock at the next available price when the order reaches the marketplace. It’s designed to ensure that the sale of all shares specified in the order are actively traded.
Limit Order	Sell limit orders state the minimum price at which to sell. Limit orders receive a lower priority in trading than market orders. When placing limit orders to sell stock, if the limit price is at or below the last bid price, the order is likely to execute immediately. If executed, the price received may be higher than the limit price established. Stop Loss orders are not available.
Day Limit	An order containing a specific price at which you are willing to sell stock for that day.
Good ‘til Canceled	A limit order containing a specific price at which you are willing to sell stock over the next 120 calendar days or sooner, depending on plan rules and corporate action activity. The order remains in effect until it is executed, canceled or 120 days elapse.



² **Market** — Be aware that when placing market orders, the price of securities may change sharply during the trading day or after hours. Standard market hours are between 9:30 a.m. and 4:00 p.m. Eastern time when U.S. markets and exchanges are open for trading, unless trading is halted. Market orders to sell stock are allowed when the market is closed and will be placed on the next day.

³ **Day Limit** — Day limit orders restrict the price of selling a security to a limit price you specify or better. The limit price is specified in a separate limit field and generally may not exceed two decimal places.

⁴ **Good ‘til Canceled (GTC)** — GTC orders generally must be for at least 100 shares. GTC orders receive a lower priority in trading than market orders.

Note for “Limit” and “Good ‘til Canceled (GTC)” orders: After the limit price is triggered, the security’s price may continue to rise and fall. As a result, your order may not be executed.



Step 2: Choose the condition⁵ — “None” or “All-or-None (AON)” for “Day Limit” orders. “Market” and “Good ‘til Canceled (GTC)” orders have specified conditions.

None	A condition that indicates there are no restrictions on the requirements to execute the order and it may be partially filled.
All-or-None (AON)	A condition that indicates that no partial order is to be executed. Either all shares specified in the order will be traded or none will be traded.



Orders	Conditions ⁵
Market	PRESET: None
Day Limit	Choose: None (No conditions) All-or-None (AON)
GTC	PRESET: All-or-None (AON)

Step 3: Decide how many shares of company stock you want to sell in whole numbers (for example, “200 shares,” not “200.5 shares”).

Step 4: Specify the percentage of the proceeds of company stock you want to use to buy (exchange into) other eligible investments.

Tip: You must always enter orders for company stock in whole shares. If you are selling your entire position in whole shares within your plan account or a particular source, any fractional shares will automatically be exchanged at the price determined by the trade you direct.

“Good ‘til Canceled” orders generally must be for at least 100 shares. Each night, the system will check to make sure there are enough shares in the account to cover outstanding orders to sell stock. If there is an insufficient stock balance, orders may be canceled.

⁵ **Conditions**

During periods of heavy trading or volatility, real-time quotes may not reflect current market prices or quotes.

None — The None condition is also known as No Conditions.

All-or-None (AON) — If a specified price is not available for the entire exchange amount, the trade is not executed but stays open during its prescribed time period. “Received” indicates Fidelity has received the trade, not that it has been executed. All-or-None orders generally must be for at least 100 shares.

Timing of Transactions and Confirmations: Just because an order is placed, there is no guarantee that the order will be executed. The confirmation number received indicates that Fidelity has received the trade request, not that it has been executed. **Please note:** Verbal confirmation is no guarantee that an order will be executed. However, a confirmation notice is proof that an order was executed.



Investment Fees

The general administrative fees associated with the management of the Plan are currently paid from unallocated funds within the trust established by the Company to administer the Plan. However, the trust reserves the right to pass along the cost of such general administrative fees to participants in the Plan.

No load fees are charged on investments in the core investment funds. The following fees, levied directly by Fidelity, apply to participants as applicable:

- When redeeming shares of Fidelity Low-Priced Stock Fund – Class K, a short-term fee of 1.50% will be assessed on any shares you have owned 89 days or less.
- When redeeming shares of Fidelity Small Cap Stock Fund, a short-term fee of 2.00% will be assessed on any shares you have owned 89 days or less.
- When redeeming shares of Spartan Extended Market Index Fund, a short-term fee of 0.75% will be assessed on any shares you have owned 89 days or less.
- When redeeming shares of Fidelity Diversified International Fund – Class K, a short-term fee of 1.00% will be assessed on any shares you have owned 29 days or less.
- When redeeming shares of Spartan International Index Fund, a short-term fee of 1.00% will be assessed on any shares you have owned 89 days or less.

As with many investment options, several factors affect overall expense levels. These include expense ratios — the annual percentage of a particular fund's assets that is paid out in expenses — and expense caps (limitations on expenses). A description of all relevant fees and charges may be found in fund prospectuses, which may be obtained from Fidelity.





Making Investment and Contribution Rate Changes

You may change your contribution rate and/or your investment choices by calling 1-866-771-5225 or logging on to www.netbenefits.com. These resources are available virtually 24 hours a day, 7 days a week, although there will be times when they are being updated and are thus not available.

The following chart shows when your transactions take effect.

Transaction	Timing
Change investment of current account balance (there is a minimum of 1% or \$250, whichever is greater)	If the request is processed by 4:00 p.m. Eastern time (the close of daily transactions on the New York Stock Exchange), the change takes effect the same business day If the request is processed after the New York Stock Exchange closes, the change takes effect the next business day*
Change investment of future contributions	Requests are processed daily and take effect as soon as administratively possible
Change contribution rate	Requests are processed daily and take effect as soon as administratively possible
Sell Chevron or ConocoPhillips stock	Requests are processed daily and you can specify the type of order you want — "Market," "Day Limit" or "Good 'til Canceled (GTC)," which will determine when the request is processed (see Selling Chevron and ConocoPhillips Stock on page 226)

* For purposes of the Plan, business day means any day that the New York Stock Exchange is open for business.

It is important to remember that 401(k) Plan accounts are not brokerage accounts. Company stock transactions are subject to certain uncontrollable market conditions that may make it difficult or, in certain rare instances, impossible to complete the transactions in one business day. In addition, Fidelity is instructed by the Company to trade Chevron and ConocoPhillips stock with a view to minimizing the potential for significant movement in the market price during the trading day. As a result, the final settlement may take more than three business days.





Vesting

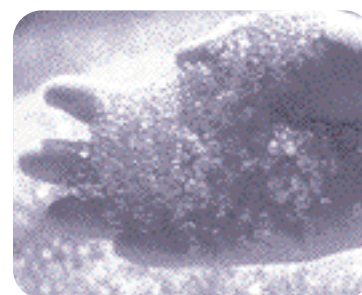
Vesting is the process of acquiring a nonforfeitable ownership right to the money in your Plan account. You are always 100% vested in your pre-tax, Roth and MSA after-tax and rollover contributions to the Plan. This means you have a nonforfeitable right to collect the amount of your contributions and rollovers, plus earnings on them, when you retire or leave the Company for any other reason.

You become 100% vested in Company matching and profit-sharing contributions, and in the earnings on them, once you accumulate three years of Vesting Service at the Company.

HOW YOU EARN VESTING SERVICE

The following applies to earning Vesting Service:

- Your years of service are generally the period you are employed at the Company.
- You earn a year of Vesting Service each year on the anniversary of your date of hire.
- You become 100% vested in your Company contributions after completing three years of service. You become 100% vested before you complete three years of Vesting Service if one of the following events occurs while you are an active employee:
 - You reach age 65,
 - You are declared permanently and totally disabled as evidenced by (i) receipt of Social Security disability benefits, or (ii) receipt of disability payments under the Company's Long-Term Disability Plan, or (iii) certification by a physician or physicians chosen by you and acceptable to the plan administrator,
 - You die, or
 - You are laid off due to lack of work.





BREAK IN SERVICE

If you terminate your employment with the Company and are later rehired, you may have what is called a **break in service**.

You will be considered to have a break in service if both of the following apply to you:

- You terminate your employment before you are vested in the Plan, and
- Your absence from the Company is at least five years.

If you have a break in service, you will forfeit any Vesting Service you accumulated prior to the break.

However, if you terminate your employment with the Company and return to the Company within 365 days after termination, the period after you terminated employment may be counted for purposes of Vesting Service.



Participant Accounts

For recordkeeping purposes, amounts held in the Plan are maintained in a number of separate accounts, as shown on the regular statements you will receive. For more information, see **Account Statements** on page 243. The value of each of your accounts includes the value of your contributions plus any earnings on them (or minus any losses incurred). If an account is shown as frozen, it means that no new contributions can be made to the account, but these accounts are 100% vested.

Your Plan may include the following accounts:

- Pre-Tax Contribution Account — Your pre-tax contributions, subject to Plan and federal limits.
- Roth Contribution Account — Your Roth after-tax contributions, subject to Plan and federal limits.
- After-Tax Medical Savings Account — Your after-tax contributions, subject to Plan and federal limits, earmarked to help pay medical expenses after you retire (although you may use the proceeds for any purpose after retirement).



- Chevron Phillips Chemical Pre-Tax Catch-Up Account (if eligible) — Your pre-tax catch-up dollars, up to \$5,500 in 2011. After 2011, limits will be subject to cost of living adjustments (COLAs).
- Chevron Phillips Chemical Roth After-Tax Catch-Up Account (if eligible) — Your Roth after-tax catch-up dollars, up to \$5,500 in 2011. After 2011, limits will be subject to cost of living adjustments (COLAs).
- Chevron Phillips Chemical Company Match Account — Company contributions, based on the applicable matching formula.
- Chevron Phillips Chemical Profit-Sharing Account — Company contributions, if any, based on Chevron Phillips Chemical's performance.
- Rollover Account — Any amounts rolled over from prior employer retirement plans.
- Prior Chevron Company Match Account (frozen) — The value of Company matching contributions from your participation in a prior Chevron 401(k) plan.
- Prior ConocoPhillips Company Account (frozen) — The value of Company matching contributions from your participation in a prior ConocoPhillips 401(k) plan.
- Prior-Plan Pre-Tax Account (frozen) — The value of any prior pre-tax profit-sharing contributions, regular or supplemental deposits, Savings Plus pre-tax contributions and other pre-tax contributions from Chevron and ConocoPhillips.
- Prior-Plan After-Tax Account (frozen) — The value of any prior after-tax profit-sharing contributions, Savings Plus after-tax contributions, post-1986 regular and supplemental deposits and other after-tax contributions from Chevron and ConocoPhillips.
- Prior Chevron Company Contribution Account (frozen) — The value of special contributions, other than matching contributions, from your participation in a prior Chevron 401(k) plan.
- Qualified Nonelective Contribution Account — The value of any special contributions made by the Company to correct operational failures.





Withdrawals are generally considered taxable and may also be subject to penalties and withholding. It is a good idea to consult a tax advisor to learn about the impact a withdrawal has on your personal situation before requesting a withdrawal. See **Tax Information** on page 249.

Withdrawals

The Plan was created to provide a vehicle for long-term savings, and you are generally able to maximize your benefit by leaving your money in the Plan until retirement. In addition, IRS and Plan penalties apply to the withdrawal of funds from a pre-tax account or Roth account and on taxable amounts of earnings before you reach age 59½. The Plan does, however, allow participants to make two types of withdrawals: regular withdrawals and hardship withdrawals.

A processing fee of \$20 is deducted from your account when a regular withdrawal is processed for payment. Hardship withdrawals are not subject to the processing fee.

REGULAR WITHDRAWALS PRIOR TO AGE 59½

You are allowed to make one withdrawal every 30 days, for any reason, from the vested portion of certain Plan accounts. The minimum withdrawal amount is the lesser of \$250 or the total value of the vested portion of your account. You must leave any existing loan security amount in your account, and amounts withdrawn are taken proportionately from across all of your investment sources.

The order of withdrawal from your accounts is as follows:

- Rollover Account, then
- Prior-Plan After-Tax Account.

To the extent that contributions have been on deposit for at least 36 months, you may also withdraw the value of contributions and earnings in the following accounts:

- Prior-Plan Company Match Accounts, and
- Current Company Match and Profit-Sharing Accounts.

In determining if contributions to these two types of accounts have been on deposit for at least 36 months, the time during which any amounts were credited to your account(s) under a prior Chevron or ConocoPhillips plan is taken into consideration.





REGULAR WITHDRAWALS AFTER AGE 59½

After you reach age 59½, you may withdraw, without penalty, from the:

- Rollover Account, and
- Prior-Plan After-Tax Account.

To the extent that contributions have been on deposit for at least 36 months, you may also withdraw the value of contributions and earnings in the following accounts:

- Prior-Plan Company Match Accounts, and
- Current Company Match and Profit-Sharing Accounts.

In determining if contributions to these two types of accounts have been on deposit for at least 36 months, the time during which any amounts were credited to your account(s) under a prior Chevron or ConocoPhillips plan is taken into consideration.

You are allowed to make one withdrawal every 30 days, for any reason. The minimum withdrawal amount is the lesser of \$250 or the total value of the vested portion of your accounts. You must leave any existing loan security amount in your accounts.

Withdrawals are made proportionately from across all of your investment funds in the following order:

- Rollover contributions,
- Prior-plan after-tax contributions,
- Pre-tax contributions,
- Employee pre-tax catch-up contributions,
- Prior-plan pre-tax contributions,
- Prior Chevron company matching contributions,
- Prior ConocoPhillips company matching contributions,
- Chevron Phillips company matching contributions,
- Chevron Phillips profit-sharing contributions, and
- Chevron Phillips pre-tax unmatched contributions.



HARDSHIP WITHDRAWALS

If you are under age 59½ and the withdrawals described previously will not satisfy your financial needs, the IRS allows withdrawals of your Pre-Tax Contribution Account, Roth Contribution Account and Prior-Plan Pre-Tax Account for reasons of financial hardship — but only when no other resources are available. Hardship withdrawals are not applicable to participants over age 59½, because they already have access to the vested portion of all their accounts.

A financial hardship is an immediate and heavy financial need that cannot reasonably be met through resources other than your 401(k) account.



Hardship withdrawals permit the withdrawal of some or all of your pre-tax contributions and earnings, but only after funds available from all after-tax and rollover contributions and other possibilities are exhausted. Hardship withdrawals are permitted only under certain specified conditions. You will be asked to certify that your hardship withdrawal is necessary for one or more of the following reasons:

- To pay unreimbursed medical expenses and other expenses necessary to secure medical care for you, your spouse, or your other eligible dependents.
- To purchase your initial primary residence (including down payment and closing costs, but not mortgage payments).
- To make payments necessary to prevent your eviction from or foreclosure on your primary residence.
- To pay tuition and related education fees (including room-and-board expenses, but excluding student activity fees and the cost of books, supplies, and uniforms) for the next 12 months of post-secondary education for you, your spouse and/or other eligible dependents.
- To pay funeral expenses for the employee's parents, spouse, children or dependents.
- To pay certain expenses to repair damage to the employee's principal residence that would qualify for the casualty deduction, such as damage from hurricanes or floods (this is for all casualty expenses, not just losses that exceed 10% of adjusted gross income).
- To satisfy any other obligation recognized by the IRS as giving rise to an immediate financial need.



A hardship withdrawal also must satisfy the following requirements:

- You must first withdraw all funds available from any existing Rollover Account and Prior-Plan After-Tax Account.
- The amount of the withdrawal is limited to the amount necessary to satisfy the specific hardship situation — including any amounts necessary to pay federal, state, and/or local income taxes and penalties reasonably anticipated to result from the distribution.

You may take a hardship withdrawal from the Plan only once every 12 months. If you take a hardship withdrawal, your future contributions to the Plan and all other retirement plans maintained by the Company (including qualified and non-qualified deferred compensation plans) will be suspended for six months.

To apply for a withdrawal, contact the Chevron Phillips Pension and Savings Service Center by calling 1-866-771-5225.



The following chart summarizes which Plan assets you are allowed to withdraw.

Source of 401(k) Assets	Amount Available for Withdrawal
Prior plan after-tax contributions, rollovers, and related investment earnings	Part or all
Pre-tax contributions	Amount needed to satisfy approved financial hardship
Company matching contributions, profit-sharing contributions and related earnings	Vested, matured amounts*

* Matured amounts are contributions that have been in these accounts for at least 36 months and are 100% vested.

Loans

The Plan offers two types of loans: general purpose loans and residential loans intended for the purchase of a principal residence. Key features of each are summarized in the following chart.

Loan Feature	General Purpose Loan	Residential Loan
Reason for loan	Any reason	For purchase of your principal residence only
Minimum loan amount	\$1,000	\$10,000
Maximum loan amount	Lesser of 50% of your vested accounts or \$50,000, subject to restrictions	Lesser of 50% of your vested accounts or \$50,000, subject to restrictions
Initiation fee	\$35	\$35
Required documentation	None	Copy of escrow papers or purchase contract signed by buyer and seller
Annual maintenance fee	\$15 (\$3.75 will be deducted on a quarterly basis)	\$15 (\$3.75 will be deducted on a quarterly basis)
Repayment period	6 to 60 months (five years)	6 to 360 months (30 years)
Number of loans allowed at a time*	Two*	One*
Interest rate	Prime plus 1% as of the last business day of the quarter preceding the calendar quarter in which the loan is processed	Prime plus 1% as of the last business day of the quarter preceding the calendar quarter in which the loan is processed

* You may have a total of two loans outstanding at any time. (If you transferred loans from a prior Chevron or ConocoPhillips plan, see **Number of Loans Available — Transferred Loans** on the next page). You may have one general purpose loan and one residential loan, or two general purpose loans.



WHO'S ELIGIBLE FOR 401(K) LOANS

To be eligible to take out a loan, you must meet both of the following requirements:

- Have a vested 401(k) account balance of at least \$2,000, and
- Be an active participant in the Plan.

NUMBER OF LOANS AVAILABLE — TRANSFERRED LOANS

You may have a maximum of two outstanding loans at any time, although you may have only one residential loan outstanding at any time.

HOW MUCH YOU CAN BORROW

For a general loan or a residential loan, you can borrow any amount between \$1,000 and \$50,000, but you may borrow no more than the lesser of the following two amounts:

- 50% of your vested account balance, or
- \$50,000 minus the excess of your highest outstanding loan balance during the one-year period prior to the date your loan will be processed over your actual outstanding loan balance on the date you take out the new loan.

The amount you can borrow is also limited by your ability to make repayments.



Loans are taken proportionately from all matured sources in your accounts. Contributions **mature** after they are in your accounts for a period of 36 months. After this 36-month period elapses, the value of the contributions can be used to fund loans. Your loan amount will be withdrawn from the funds in which you are invested according to a hierarchy of lowest-risk to highest-risk funds.



INTEREST RATES

The interest you pay on your loan is credited back to your 401(k) account along with your loan repayments.

Loan interest rates are set on the last day of the quarter preceding the loan request and are equal to the prime rate (based on a measure established by the administrator) plus 1% (rounded down to the nearest quarter percent). The rate established for each loan is fixed. It does not change for the duration of the loan.



APPLYING FOR A LOAN

You can apply for a loan over the phone by calling the Chevron Phillips Pension and Savings Service Center at 1-866-771-5225 or by logging on to www.netbenefits.com. If you have questions or need assistance, you can be connected to a service representative, who will assist you in processing your loan.

TIMING OF LOAN TRANSACTIONS

The normal turnaround time for receiving a loan is summarized in the following chart.

Loan Feature	General Purpose Loan	Residential Loan
When a loan is approved	Immediately; loan approval is automatic if you qualify	Within two business days after the Chevron Phillips Pension and Savings Service Center receives the required supporting documents
When the proceeds of the loan are deducted from your 401(k) account	The same day as the request, if it's made by 4:00 p.m. Eastern time on a business day; otherwise the next business day*	The same day as approval, if approved by 4:00 p.m. Eastern time on a business day; otherwise the next business day*
When loan checks are mailed	The next business day after the funds are deducted from your account. Please allow 5 to 8 business days for receipt of your check.	The next business day after the funds are deducted from your account. Please allow 7 to 10 business days for receipt of your check.

* The New York Stock Exchange (NYSE) normally closes at 4:00 p.m. Eastern time. If the NYSE closes prior to 4:00 p.m. Eastern time, loan funding does not occur until the next business day the NYSE is open. This assumes the NYSE is open on the next business day.



LOAN FEES

Two types of fees are associated with loans from the Plan:

- An initiation fee of \$35 for each loan. This fee is deducted from your account when the loan is processed.
- An annual maintenance fee of \$15 for each outstanding loan. This fee is deducted from your account on a quarterly basis.

REPAYING YOUR LOAN



Your loan repayments are deducted from your paychecks on an after-tax basis. The timing of the payroll deduction depends on when the loan proceeds were taken from your account. In general, the deductions will start as soon as administratively feasible after your loan is taken out.

The principal and interest are invested in your 401(k) account in the same fund(s) selected in your most recent investment election for your future contributions.

EARLY PAYOFF PROCEDURES

You may not accelerate your loan repayments, nor can you make partial repayments that exceed the amounts specified in your normal repayment schedule. However, you can repay the full outstanding balance of your loan at any time. To request an early loan payoff, call the Chevron Phillips Pension and Savings Service Center at 1-866-771-5225. A service representative will calculate the loan payoff amount for you. You must use a cashier's check or money order to pay off your loan early. If you send a personal check, it will be returned to you. Once your payoff is received by the Chevron Phillips Pension and Savings Service Center, your loan payments automatically cease.



LOAN DEFAULT

If you fail to make your loan payments, you risk sending your loan into a defaulted status. The IRS mandates that a loan must be defaulted no later than the last day of the calendar quarter following the calendar quarter in which payments were discontinued. At this point the outstanding balance becomes due and payable by the end of the month in which the default occurs. If the balance is not paid, it is considered a deemed taxable distribution and is subject to ordinary income taxes plus possible early withdrawal tax penalties.

Under IRS regulations, a taxed loan (a loan that defaulted and was reported as a taxable distribution) is still considered an outstanding loan from your 401(k) account. The amount available for future loans is reduced by the amount of any taxed loans not repaid to your account. A taxed loan also counts toward the two loan maximum. In addition, if your account includes a taxed loan, you may not obtain another loan from the Plan unless you enter into an enforceable arrangement under which:

- Repayments are made by payroll withholding, or
- The Plan receives adequate additional security (other than your vested account balance) for the new loan.

You can repay a taxed loan on an after-tax basis, but your repayments won't reverse the taxable event already reported to the IRS. However, paying off a taxed loan will increase the amount available to you for a future 401(k) loan. Also, any earnings on the repaid loan amount accumulate tax-deferred until they are distributed to you.

Failure to repay a loan is called a **default**. When a loan default occurs, the outstanding balance is considered a taxable distribution and is subject to ordinary income taxes plus any applicable early distribution penalties.





SITUATIONS AFFECTING LOANS

Certain situations could affect your ability to request a loan or make scheduled loan repayments. The following chart summarizes loan repayment procedures in certain situations.

If You...	This Will Happen...
Go on a paid leave of absence	<ul style="list-style-type: none"> ■ Your loan repayments continue. ■ If the amount of your paycheck during a paid leave of absence is insufficient to make your loan repayments, see the unpaid leave of absence information below.
Go on an unpaid leave of absence or go on a paid leave of absence where there are insufficient funds in your paycheck to make your loan repayments	<ul style="list-style-type: none"> ■ Your loan repayments stop and are suspended for the lesser of (i) the duration of your leave of absence or (ii) one year following the beginning of your leave of absence. ■ When you return, your loan is reamortized at its original interest rate. The end date for the reamortized loan will be the original due date for the loan, unless the original due date for the loan was less than five years. In that case, the loan term can be extended to five years from the loan origination date. ■ If you don't return from the leave and terminate employment, you must make arrangements to continue making loan repayments by calling 1-866-771-5225 and speaking with a service representative. <ul style="list-style-type: none"> — If you don't make arrangements to continue to repay your loan after your termination, your loan will default and will be reported to the IRS as a taxable distribution.
Go on a military leave of absence	<ul style="list-style-type: none"> ■ Your loan repayments stop and are suspended for the duration of your leave. ■ When you return from the leave, your loan is reamortized at its original interest rate. The end date of the reamortized loan is set so that you have the same amount of time remaining on your loan as you had when you went on your leave. For example, suppose when your leave began you had 36 loan repayments left to make. When you return, your reamortized loan will provide for 36 payments to pay off your loan. ■ If you don't return from the leave and terminate employment, you must make arrangements to continue making loan repayments by calling 1-866-771-5225 and speaking with a service representative. <ul style="list-style-type: none"> — If you don't make arrangements to continue to repay your loan after your termination, your loan will default and will be reported to the IRS as a taxable distribution.
Change from full-time to part-time	<ul style="list-style-type: none"> ■ Your loan repayments continue.
Leave the Company due to termination of employment, become disabled or retire	<ul style="list-style-type: none"> ■ If you request a lump-sum distribution from the Plan, your unpaid loan balance is deducted from your distribution and counted for tax reporting and withholding purposes. ■ To avoid a loan default, you may pay off your loan, either all at once, or by setting up a periodic payment plan. Call 1-866-771-5225 to speak with a service representative for details.
Divorce or have a divorce pending, or if the Company receives a notice of adverse interest (a notice that your spouse or children intend to make a claim against your account)	<ul style="list-style-type: none"> ■ Your loan repayment deductions continue.
Die	<ul style="list-style-type: none"> ■ A surviving spouse or beneficiary can repay the outstanding loan balance. ■ If the loan balance is not paid, it will default and be reported to the IRS as a taxable distribution.



Account Statements

Your account balances are updated nightly, and current figures are available either by phone at 1-866-771-5225 or over the Internet at www.netbenefits.com. You can check the status of Mutual Fund Window investments not managed by Fidelity through a link on the NetBenefits Web site to the BrokerageLink® Web site.

A printed statement of your account will be mailed to you a few weeks after the end of each calendar quarter. The statement shows the contributions and investment results for the previous quarter, fund transfers, rollovers, loan repayments and loan balances, withdrawals during the quarter, and the value of your account — including the value of investments in the Mutual Fund Window — at the end of that quarter.

If you invest in funds from the Mutual Fund Window, you will receive a separate statement showing your balances and activities in those funds.



Quarterly statements are also available online. If you elect to receive your statements online, printed statements will not be mailed to your home.

Distributions

The full value of your vested account is available for distribution to you when one of the following occurs:

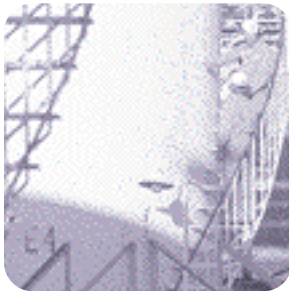
- You retire,
- You die, or
- You terminate employment.

Please note that you may also be eligible to take a distribution if you are performing military service for more than 30 days. If you take such a distribution, you would not be eligible to make contributions to the Plan for six months after you receive that distribution. Contact the Chevron Phillips Pension and Savings Service Center at 1-866-771-5225 for details.



PAYMENT OPTIONS

You may elect to receive the value of your vested accounts in a cash lump sum or in periodic installments. If you elect to withdraw the value of your accounts or begin installment payments, you have the right to keep your Medical Savings Account (MSA) in the Plan, provided the value of your MSA is greater than \$1,000.



If the value of your vested accounts (including your MSA and Rollover Account if applicable) is \$1,000 or less when you leave the Company, your entire account balance is paid to you in a single lump-sum payment unless you elect a rollover.

If the Value of Your Vested Account Balance is Greater Than \$1,000, You May Elect One of the Following Distribution Options

Deferred distribution	Leave all of your 401(k) assets in the Plan and defer your distribution until a later date, but no later than age 70½
Total lump-sum distribution	Receive all of your Plan assets shortly after you leave the Company
Partial distribution	Receive the value of all your accounts except your MSA, provided the value of your MSA is greater than \$1,000
Installment payments	Receive scheduled monthly, quarterly or annual payments from your account

LUMP-SUM DISTRIBUTIONS

You can elect payment of a lump-sum distribution in any of the following forms:

- In cash (by check),
- As shares of Chevron or ConocoPhillips common stock (this form is available only if you transferred shares of Chevron or ConocoPhillips stock into your Plan and is limited to the value of your frozen Chevron or ConocoPhillips stock account invested in such securities), or
- In a combination of cash and the available shares of Chevron or ConocoPhillips common stock, if any.

You may also elect to have your lump-sum distribution paid directly as a:

- Rollover to another qualified plan, or
- Rollover to an Individual Retirement Account (IRA).

Other employers' qualified defined benefit or defined contribution plans, such as 401(k), profit-sharing or money purchase pension plans, may accept rollovers from the Plan, but they are not required to do so. You should check with the plan's sponsor before electing a rollover.



INSTALLMENT PAYMENTS

If you elect periodic installments, you must indicate how often you want to receive payments — that is, monthly, quarterly or annually — and the length of time over which you'd like to receive them. If you elect to have payments continue over the rest of your lifetime, the amount of each periodic payment depends on your life expectancy at the time of your request, based on IRS life expectancy tables.

DEFAULT DEFERRAL OF BENEFIT DISTRIBUTION

Under the Plan, you have the right to the distribution of your entire benefit. However, the Plan also provides that if you do not specifically elect the distribution of your benefit, distribution is deferred until you reach age 70½.

MINIMUM REQUIRED DISTRIBUTIONS

By law, you must start receiving minimum required distributions from the Plan no later than April 1 of the year **following** the calendar year in which you reach age 70½, unless you remain actively employed by the Company beyond age 70½. In this case you must start receiving minimum required distributions from the Plan no later than April 1 of the year following the calendar year in which you terminate your employment. Additional required distributions must be made by December 31 of each calendar year thereafter.

The minimum amount distributed is determined according to rules issued under the Internal Revenue Code, based on the joint life expectancies of you and your beneficiary(ies).

A processing fee of \$25 is deducted from your account each time a minimum required distribution payment is processed.

REQUESTING A DISTRIBUTION

To request a distribution, call the Chevron Phillips Pension and Savings Service Center at 1-866-771-5225 to speak with a service representative. You must specify the method of payment and, if applicable, the amount to be rolled over to another qualified retirement plan or IRA.

If you elect to defer your first minimum required distribution until April 1 of the year following the calendar year in which you reach age 70½, or the year you terminate your employment, you must receive two minimum required distributions during that same calendar year (one for the prior year and one for the current year).





Your request should specify whether you would like your distribution in cash, shares of Chevron or ConocoPhillips stock (if applicable), or a combination of cash and stock. You may also specify whether you want a portion of your distribution to be withheld for state income taxes. See **Key Transaction Dates and Deadlines** on pages 253 – 254 for the timing of 401(k) plan transactions.

DISTRIBUTION DUE TO YOUR DEATH

If Your Beneficiary Is Living

Your account balance becomes fully vested on your death and is distributed to your named beneficiary(ies). For more information, see **Designating Your Beneficiary** on page 247. If you are married, your beneficiary is your surviving spouse unless you designate another beneficiary with Fidelity. A spousal consent form will be sent to you by Fidelity and must be signed by you and your spouse and either notarized or witnessed by a Plan representative. A PIN notice and account statement are sent to your beneficiary when your assets are transferred to a beneficiary account. Your beneficiary may elect either an immediate or a deferred distribution, subject to Internal Revenue Code rules on minimum required distributions.



If your sole beneficiary is a surviving spouse, the distribution will begin by December 31 of the calendar year following the year of your death, or by December 31 of the calendar year in which you would have reached age 70½, whichever is later. Such a distribution is eligible for rollover to an eligible retirement plan as defined in the Internal Revenue Code.

If your surviving spouse is not your sole beneficiary, the distribution will begin by December 31 of the calendar year following the year of your death. A non-spousal-beneficiary may roll over the distribution into an Individual Retirement Account ("IRA").

Any outstanding loans are defaulted 60 days following your death and reported to the IRS as a taxable distribution. A surviving spouse or other beneficiary is urged to contact a tax advisor to determine the tax advantages, if any, of depositing the amount of the outstanding loan balance into an IRA and thereby possibly avoiding immediate taxation.



Other Situations Affecting Your Beneficiary

The following provisions apply if you die without a named beneficiary, if your beneficiary dies before receiving the value of your account, or if you die and your beneficiary cannot be located:

- If no beneficiary designation is in effect at the time of your death, your spouse is your beneficiary. If you are unmarried, the beneficiary is deemed to be the personal representative of your estate.
- If your beneficiary is living at the time of your death but dies before receiving the benefit, the value of your account is paid to your beneficiary's estate in a lump-sum payment.
- If you die and your named beneficiary cannot be located within three years from the date your beneficiary would have received an initial distribution from the Plan, your account is canceled. If the beneficiary later contacts the Plan committee, the amount previously canceled is paid to the beneficiary upon written request.



Designating Your Beneficiary

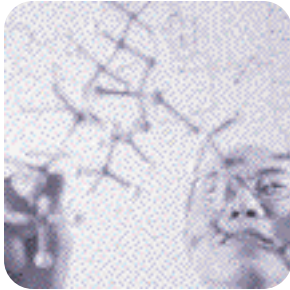
You may designate your beneficiaries for the 401(k) Savings Plan using Fidelity's Online Beneficiaries Service. Your beneficiaries are the person or people you want to receive your 401(k) balance in the event of your death. To access Fidelity's Online Beneficiaries Service, simply log on to NetBenefits at www.netbenefits.com and click "Beneficiaries" under the "Your Profile" tab. If you do not have access to the Internet or prefer to complete your beneficiary process by paper form, please contact Fidelity at 1-866-771-5225.

If you are married, your beneficiary is your surviving spouse unless you designate another beneficiary with Fidelity. A spousal consent form will be sent to you by Fidelity and must be signed by you and your spouse and either notarized or witnessed by a Plan representative. If you are divorced and had previously named your former spouse as your beneficiary, your designation will be considered void and any successor beneficiary designations will apply, unless a Qualified Domestic Relations Order requires that benefits be paid to your former spouse.



You may change your beneficiary at any time through Fidelity Online Beneficiaries Service, available through Fidelity NetBenefits. Simply log on to www.netbenefits.com and click "Beneficiaries" under the "Your Profile" tab.

Qualified Domestic Relations Orders



A Qualified Domestic Relations Order (QDRO) is a special order issued by the court in a divorce, child support or similar proceeding. A QDRO can require the Plan to pay part or all of your benefits to your spouse, former spouse or dependent for reasons such as satisfaction of marital property rights, alimony or child support. A QDRO can require the Plan to pay the spouse's or dependent's share of the benefit at any time.

For descriptions of the Plan's procedures governing QDROs please refer to **Qualified Domestic Relations Order (QDRO)** on page 294.

Administrative Holds

If Fidelity, the QDRO plan administrator, receives an executed domestic relations order, an administrative hold is placed on your account.

An administrative hold prevents you from receiving any type of payment, loan, withdrawal or distribution from the Plan until the claim is settled. However, you may make changes to your investment elections, make fund transfers and change your contribution rate if you wish. You must also continue to make payments on any outstanding loan(s).

For more information on holds and release of holds, please refer to page 295 of this handbook or the Fidelity QDRO Center Web site.



Tax Information

There are significant tax issues associated with your accounts under the Plan. You are encouraged to consult your personal tax advisor concerning the tax implications of your Plan, including withdrawals and distributions.

For example, your pre-tax contributions, catch-up contributions, rollover contributions, Company contributions and all earnings are subject to ordinary income tax when they are paid out to you as a hardship withdrawal or as a distribution. You receive a *Special Tax Notice* before a withdrawal or distribution check is issued. After you receive the notice, you have up to 30 days to decide whether to elect a direct rollover and to consider the tax consequences of not electing a rollover. You cannot receive a distribution or withdrawal from your account until you receive the *Special Tax Notice* unless you waive your right to this 30-day notice. However, an election to waive the 30-day notice does not obligate the Plan to make payments within 30 days. To request a copy of this notice, call the Chevron Phillips Pension and Savings Service Center at 1-866-771-5225.

Your taxes on withdrawals and distributions vary, depending on your age, your marital status, your other income and how your withdrawal or distribution is paid. State and local taxes may also apply. You should consult a qualified tax advisor before taking any withdrawals or distributions from the Plan.

EARLY WITHDRAWAL TAX PENALTIES

If you are under age 59½ when you receive a withdrawal — including a hardship withdrawal — or distribution, you may have to pay an additional 10% federal tax penalty, plus a state tax penalty. These penalties are waived if the money is used for tax-deductible medical expenses, or if it is paid out as the result of one of the following:

This summary of taxation is based on federal income tax laws in effect when this summary was published. It is not intended to be a complete description of all federal income tax rules that may apply. Also, you may be subject to certain state and local taxes not mentioned here. In some cases, estate and death taxes not described here may also apply.





- A court order,
- Your permanent and total disability,
- Termination of employment during or after the year you reach age 55,
- Your death,
- Payment in installments over your lifetime, or
- A qualified military reservist leave of 180 days or more.

MANDATORY TAX WITHHOLDING AND ROLLOVERS

Any withdrawals or distributions you receive from the Plan are subject to the tax laws in effect at that time. Consult your personal tax advisor if you have any questions concerning taxes on your withdrawals or distributions.

If any portion of a withdrawal or distribution is eligible for rollover but instead is paid directly to you, federal law requires that 20% of the eligible rollover amount be withheld and sent to the IRS for payment of income taxes. The amount eligible for rollover is generally that portion of your account that is subject to ordinary income tax on distribution. The amount eligible for rollover does not include after-tax contributions, hardship distributions, a distribution which is one of a series of substantially equal periodic installments or a required minimum distribution.

If any portion of a withdrawal or distribution is paid as shares of Chevron or ConocoPhillips stock, withholding is based on your cost basis in the shares (what the Plan paid for the shares when they were allocated to your account), and the cash you receive for any remaining shares, fractional shares and/or dividends. Any ordinary income tax or tax penalties you owe on the value of the stock become due and payable in the tax year in which you receive payment.



The mandatory 20% withholding rule does not apply to any portion of your payment that is not eligible for rollover but is still taxable (such as a hardship withdrawal or a required minimum distribution). In these cases, withholding may be applied under other rules, or you may elect to not have any taxes withheld. Call the Chevron Phillips Pension and Savings Service Center at 1-866-771-5225 and speak to a service representative for information and election forms.



TAXATION OF AFTER-TAX CONTRIBUTIONS

Federal law requires that withdrawals be made from a combination of your after-tax contributions and the related earnings on those contributions. Because you have already paid taxes on your after-tax contributions, they are not taxable when they are withdrawn from the Plan. However, the related earnings you withdraw are subject to ordinary income tax, plus any early withdrawal tax penalties that apply.

10-YEAR AVERAGING

You are eligible to elect 10-year averaging one time during your lifetime if both of the following conditions are met:

- You were born before January 1, 1936, and
- You have participated in the Plan for five years or more at the time of the withdrawal.

If you roll over any portion of your payment to an IRA or another qualified plan, this special tax treatment may not be available. Consult your personal tax advisor for guidance.



TAXATION OF ROTH CONTRIBUTIONS

Federal law requires that withdrawals be made from a combination of your Roth contributions and the related earnings on those contributions. Because you have already paid taxes on your Roth contributions, they are not taxable when they are withdrawn from the Plan. In addition, the related earnings you withdraw are not taxable either as long as you have held the account for five (5) years or more and are at least age 59½ before you take a withdrawal.

ESTIMATED TAXES

Tax withholding, especially in the case of a distribution of shares of stock, may not be sufficient to cover the full tax due on a distribution that is not rolled over to an IRA. This may require that you pay estimated taxes when you receive your distribution. Consult your personal tax advisor for guidance.



TAXATION ON STOCK FUND GAINS

If you are invested through the Plan in Chevron or ConocoPhillips stock, you may be able to take a distribution of that portion of your account in stock and postpone taxation of a portion of the gains, if any (also called unrealized appreciation), resulting from your investment in Chevron or ConocoPhillips stock.



If you take a distribution in shares, you are taxed only on your cost basis or the original cost of your investment. The tax on any increase in the value of the stock above your cost basis that occurred while it was held in your account is not due until you sell or otherwise dispose of the stock.

Fidelity's NetBenefits®

Fidelity's interactive NetBenefits Planning Center provides up-to-date information on your individual Plan accounts. You can access your account information virtually 24 hours a day, 7 days a week, through the Chevron Phillips Pension and Savings Service Center automated voice response system by calling 1-866-771-5225. You'll need your Social Security number and your Fidelity PIN to access this information.

You can also access the NetBenefits Planning Center online through www.netbenefits.com. In addition to your latest account information, NetBenefits provides information and tools to help you prepare for your future. These include detailed asset allocation strategies and interactive calculators — all in one place, all accessible with the click of a mouse. Here are some of the things the Web-based NetBenefits Planning Center enables you to do:

- Get current account information and chart your contributions,
- Make investment and contribution percentage changes,
- Designate or change beneficiaries,
- Make exchanges between current investment options,
- Model a new loan,
- Compare fund performance,
- Get Plan information, and
- Request mutual fund prospectuses.



PERSONAL IDENTIFICATION NUMBER (PIN) AUTHORIZATION

Your new hire enrollment package contains information on generating your PIN. The same PIN is used for the voice response and Web systems. If you lose or forget your PIN, you can request a new, temporary PIN through the Chevron Phillips Pension and Savings Service Center by calling 1-866-771-5225, or through www.netbenefits.com. You should receive your new PIN notice in approximately five business days. You cannot make changes until you receive your new, temporary PIN.

Important Note

Take care to safeguard your PIN from theft or misuse. Your PIN is your electronic signature. When you use your PIN, you are electronically authorizing the use of your PIN instead of your handwritten signature to execute your transactions. You should immediately change your PIN if you suspect it has been stolen or misused by others and report this event to a service representative by calling 1-866-771-5225.

KEY TRANSACTION DATES AND DEADLINES

Here's a quick guide to Plan transactions and their key dates and deadlines.

Plan Transaction	How to Request	Timing
Change contribution rate	Log on to www.netbenefits.com , or call 1-866-771-5225 to speak with a rate service representative.	<ul style="list-style-type: none"> Requests are processed daily and take effect as soon as administratively possible.
Change future investments	Log on to www.netbenefits.com , or call 1-866-771-5225 to speak with an investment service representative. The service representative can also assist you with investments in funds within the Mutual Fund Window.	<ul style="list-style-type: none"> Requests are processed daily and take effect as soon as administratively possible.
Change investment of current balances	Log on to www.netbenefits.com , or call 1-866-771-5225 to speak with an investment service representative. The service representative can also assist you with investments in funds within the Mutual Fund Window.	<ul style="list-style-type: none"> If the request is processed by 4:00 p.m. Eastern time, the change takes effect the same day (if the New York Stock Exchange (NYSE) is open). If the request is processed after the NYSE closes (after 4:00 p.m. Eastern time), the change takes effect the next business day.*

(continued)

* For purposes of the Plan, **business day** means any day that the New York Stock Exchange (NYSE) is open for business.



Plan Transaction	How to Request	Timing
Apply for a general purpose loan	Log on to www.netbenefits.com , or call 1-866-771-5225 to speak with a service representative.	<ul style="list-style-type: none"> ■ If the loan is requested by 4:00 p.m. Eastern time, funding occurs the same day as long as the NYSE is open. ■ If the loan is requested after the NYSE closes (after 4:00 p.m. Eastern time), funding occurs the next business day.* ■ Payment is mailed the next business day* after the money is deducted from your account.
Apply for a residential loan	Log on to www.netbenefits.com , or call 1-866-771-5225 to speak with a service representative.	<ul style="list-style-type: none"> ■ Eligible loans are approved within two business days* after the Chevron Phillips Pension and Savings Service Center receives all required documentation. ■ If a loan is approved by 4:00 p.m. Eastern time, funding occurs the same day (if the NYSE is open). ■ If a loan is approved after the NYSE closes (after 4:00 p.m. Eastern time), funding occurs the next business day.* ■ Payment is mailed the next business day* after the money is deducted from your account.
Apply for a hardship withdrawal	Call 1-866-771-5225 to speak with a service representative.	<ul style="list-style-type: none"> ■ Hardship withdrawals are approved within two business days* after the Chevron Phillips Pension and Savings Service Center receives all required documentation. ■ If the withdrawal is approved by 4:00 p.m. Eastern time, funding occurs the same day (if the NYSE is open). ■ If the withdrawal is approved after the NYSE closes (after 4:00 p.m. Eastern time), funding occurs the next business day.* ■ Payment is mailed the next business day* after the money is deducted from your account.
Make a rollover contribution	Call 1-866-771-5225 to request a rollover form from a service representative.	<ul style="list-style-type: none"> ■ Rollovers are deposited and credited to participants' accounts on a daily basis.
Change your PIN	Call 1-866-771-5225 to speak with a service representative.	<ul style="list-style-type: none"> ■ A new PIN notice is sent within five business days of the request.

* For purposes of the Plan, **business day** means any day that the New York Stock Exchange (NYSE) is open for business.



Situations Affecting 401(k) Participation

Certain situations could affect your Plan participation — for example, if you become permanently and totally disabled, take a leave of absence or leave the Company. These situations are summarized in the following chart. For how these situations might affect loan repayments, see ***Situations Affecting Loans*** on page 242.

If You...	This Will Happen...
Are rehired	<ul style="list-style-type: none"> ■ You may rejoin the Plan on reemployment.
Are rehired and you forfeited Company contributions when you left	<ul style="list-style-type: none"> ■ You have five years from your rehire date to repay, in a lump sum, the full account balance distributed to you when you left. ■ If you repay the full account balance, any forfeited Company contributions are restored to you. ■ You vest in the restored amount based on your total years of service before and after your rehire date.
Become permanently and totally disabled while an active employee	<ul style="list-style-type: none"> ■ You are 100% vested in your Company Match Account and Chevron Phillips Chemical Profit-Sharing Account. ■ You may defer distribution up to the end of the year in which you reach age 65. Your account is distributed to you no later than the end of the year in which you reach age 65 unless you elect to defer it until the end of the year in which you turn 70½. ■ As long as you maintain an account balance in the Plan, you may change your investment mix.
Change to an ineligible status (e.g., separate from service)	<ul style="list-style-type: none"> ■ Your contributions stop.
Die	<ul style="list-style-type: none"> ■ If you were an active employee, your account becomes fully vested. ■ Your account is paid to your named beneficiary(ies). ■ If you did not return a Beneficiary Designation Form (with spousal consent if your spouse is not listed as your beneficiary), your spouse is your beneficiary. ■ If no beneficiary survives you, your account is paid to the personal representative of your estate. ■ The taxable portion of the distribution payable to a surviving spouse may be eligible for rollover to an eligible retirement plan. ■ The taxable portion of a distribution payable to a non-spouse beneficiary may be rolled over to an IRA.
Divorce, and Fidelity receives an executed domestic relations order	<ul style="list-style-type: none"> ■ Your account is placed on administrative hold. ■ You may still contribute to the Plan and direct your investments; however, loans, withdrawals and distributions will not be allowed. Loan repayments must continue. ■ The qualification of the domestic relations order and the separation of the award from your Plan accounts to an account of the alternate payee is required to remove this administrative hold.

(continued)



If You...	This Will Happen...
Are receiving Short-Term Disability benefits	<ul style="list-style-type: none"> ■ Your contributions may continue as long as you have sufficient earnings. ■ Any loan repayments continue as long as you have sufficient earnings. For more information, see Loan Default on page 241.
Are receiving Long-Term Disability benefits	<ul style="list-style-type: none"> ■ Your contributions stop. ■ Your loan repayments will stop since you will be receiving your benefits from a third-party vendor. Your loan will default unless you make arrangements to send in the repayment amounts for the duration of the time in which you are receiving Long-Term Disability benefits. For more information, see Loan Default on page 241.
Go on an approved unpaid leave of absence including military leave	<ul style="list-style-type: none"> ■ Your contributions stop. ■ Any loan repayments stop. For more information, see Situations Affecting Loans on page 242 and Loan Default on page 241.
Go on an approved paid leave for reasons other than disability and have sufficient earnings	<ul style="list-style-type: none"> ■ If you are on some other paid leave and you receive a paycheck from the Company, your contributions continue. ■ You can voluntarily stop your contributions at any time. ■ Any loan repayments continue. For more information, see Loan Default on page 241.
Leave the Company for any reason including retirement	<ul style="list-style-type: none"> ■ Your contributions and any loan repayments stop. ■ The vested value of your account can be distributed to you. ■ If you are not 100% vested in your Company Match Account and Company Profit-Sharing Account, you forfeit the unvested portion at the time of distribution or after a five-year break in service. ■ All or a portion of your distribution may be eligible for rollover to an IRA or another employer's qualified plan. Distributions prior to age 59½ may be subject to a 10% early withdrawal tax, with certain exceptions. ■ If your vested balance is \$1,000 or more, you may postpone distribution up to the end of the year in which you reach age 70½. ■ If your vested balance is less than \$1,000, you receive a lump-sum distribution if you did not elect to roll over your account to an IRA or to another employer's qualified retirement plan. ■ You may request to roll over your account to an IRA or to another employer's qualified retirement plan. ■ You may receive scheduled monthly, quarterly or annual payments from your account. ■ You may leave the balance of your MSA in the Plan if the account balance is at least \$1,000. ■ As long as your account balance remains in the Plan, you can continue to change your investment mix.



Other Situations Affecting 401(k) Benefits

You should be aware of the following circumstances that could adversely affect your benefits:

- Federal law limits the amounts employees can save in tax-deferred plans such as the Plan. Because of these limits (which are indexed annually), some employees may not be able to contribute the full amount otherwise allowed each year. If you reach this limit, your contributions are automatically stopped until the following tax year. If you believe that any of these limits may affect you, you may want to consider changing your contribution rate. For more information, see **Annual IRS Contribution Limits** on page 221.
- Investment funds can decline in value. Your account balance reflects both contributions and investment gains or losses on those contributions.
- The law requires that certain Plan provisions go into effect during any plan year in which the value of the accounts of certain key employees exceeds 60% of the value of all accounts combined. If you are affected by these provisions, you will be notified in the unlikely event that they go into effect.
- If you leave the Company before you become 100% vested, the non-vested funds in your Company Match Account and Company Profit-Sharing Account will be forfeited when:
 - *The value of your account is distributed,*
 - *You have a five-year break in service, or*
 - *If you are not vested in any portion of your Company Match Account and Company Profit-Sharing Account, when you terminate service on the date your employment ends.*
- If you do not provide proper notice of an address change, you may experience a delay in receiving your statements, withdrawals and distributions. To provide notice of an address change, you should call the Chevron Phillips Employee Service Center at 1-800-446-1422 and press option 3.
- If there is a conflict between claimants to your account, distribution may be delayed until the conflict is resolved.





- Plan benefits may be affected if the Plan is merged, amended, suspended or discontinued. However, the value of your accounts will not be reduced as a result of any of these occurrences. For more information, see **Other Important Information** below.

Other Important Information

PLAN ADMINISTRATION



The plan administrator shall handle general administration of the Plan and be responsible for carrying out its provisions (except for the Plan's investments). The Investment Committee shall handle general investment of the Plan's assets and be responsible for carrying out the Plan's investment provisions. Subject to the limitations of the Plan, the Company, the plan administrator and the Investment Committee shall establish rules for the administration of the Plan and the transaction of its business. The Company and the applicable delegate or committee shall have discretionary authority to interpret the Plan, to determine eligibility for participation in the Plan, and to determine benefit amounts payable under the Plan, among other matters.

Any determination by the Company's delegate as to interpretation of the Plan or any disputed question shall be conclusive and final to the extent permitted by applicable law.

CLAIMS PROCEDURES

If you or your surviving spouse or other beneficiary wishes to apply for benefits under the Plan, you must complete and file the proper benefit application forms, which can be obtained by calling the Chevron Phillips Pension and Savings Service Center at 1-866-771-5225 and speaking to a service representative.

If your benefit claim is denied in full or in part, you will be notified in writing within 90 days after the claim is filed. This time limit may be extended for another 90 days in special cases. In such a case, you will be notified of the reasons for the delay and told when you can expect a decision.



The written denial notice will state the specific reasons for the denial, tell you the Plan provisions on which it is based, describe any additional information or material required by the Company, explain your right to receive Plan documents, explain the procedure you need to follow to have the Company review the claim and your right to bring suit if the appeal is denied.

APPEALING A CLAIM DENIAL

You may appeal a denial by following the instructions in your denial notice, or the procedures set forth on page 285 under ***Filing Claims Under the 401(k) Plan***.

NON-DISCRIMINATION RULES

In addition to the IRS limits on contributions described previously, federal law requires that the Plan satisfy certain non-discrimination standards, which could result in the return of a portion of your contributions and forfeiture of Company contributions. You will be notified if this affects you.

PLAN MERGER

Your benefit will not be reduced if the Plan merges with another qualified plan.

PAYMENT OF PLAN FEES

Fees charged by investment fund managers are paid by those who invest in those funds, whether they are individual investors or participants in a 401(k) plan. In addition to investment management fees, the recordkeeper imposes charges for keeping records of individual accounts, responding to telephone inquiries, mailing plan prospectuses and account statements, and performing other administrative activities. Because these services are provided by the Plan, the fees investment managers charge are used to cover their costs. The rates of return reported by each mutual fund are always shown after these fees are paid out of Plan assets.





Mutual funds pay fees to the recordkeepers who provide administrative services to 401(k) plan participants. The fees received by Fidelity — the Plan's recordkeeper — are used to offset the recordkeeping and communication expenses of the Plan (which otherwise would be paid by the Company).

Fees are charged to participants for the sale of Chevron or ConocoPhillips company stock within the Plan's investment funds. If you wish to sell such stock, you can call 1-866-771-5225. You will be connected to a Fidelity service representative, who will be able to tell you the amount of the fee for your transaction.

Fees are also charged to participants for Qualified Domestic Relations Order (QDRO) reviews associated with a divorce, child support or similar proceeding. For a description of the Savings Plan's procedures governing QDROs, please refer to **Qualified Domestic Relations Order (QDRO)** on page 294.

ASSIGNMENT OF BENEFITS

Benefits payable from the Plan as described in this summary are intended solely for the benefit of Plan participants entitled to payment according to Plan provisions. By law, Plan benefits are not subject to your debts or obligations, or to those of your beneficiaries, and may not be sold, transferred, assigned or encumbered in any manner.



However, certain court orders, such as a QDRO, could require that part of your account be paid to someone else — for example, your spouse, former spouse, child or other dependent.

YOUR ERISA RIGHTS

As a participant in the Plan, you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA). These include the right to receive certain Plan information and to file suit if you feel your rights have been violated.

For a full statement of your rights, see **Your ERISA Rights** on page 288.



LOOKING FOR SOMETHING? TIPS FOR FINDING INFORMATION ... FAST!

There is a wealth of important information included in this summary, but who has time to look for it? Believe it or not, you can find what you need without having to search through pages and pages of information. By taking advantage of the summary's "search" function and "bookmarks," you can find the information you need in a matter of seconds.

LOOKING FOR GENERAL, BIG PICTURE INFORMATION?

Just scroll down the table of contents — or "bookmarks" — shown at the left. Click on the applicable bookmark, and you will be taken to that section of the document.

WANT SPECIFICS?

Use the summary's "search" function. To access this function:

- Select "Search" under the "Edit" menu.
- Type the word, words, or part of a word for which you want to search. If you want, you can refine the search by selecting one or more of the following options:
 - "Whole words only" to find only occurrences of the complete word you enter in the text box. For example, if you search for the word "doctor," the words "doctors" and "doctor's" will not be selected during the search.
 - "Case-Sensitive" to find only occurrences of the words that are in the case that you typed. For example, if you search for the word "doctor," the search would find "doctor," but wouldn't find "Doctor."
 - **Note:** For searching this summary, you do not need to select "Search in Bookmarks" or "Search in Comments."
- Click on "In the current PDF document" to show that you just want to search this summary. (Searching multiple PDF documents works well for PDFs that are copied onto your hard drive, but not for searching online PDFs such as our benefit summaries.)
- Click on "Search."
- All occurrences of the text for which you are searching will be shown in the results box. Scroll through the list and click on the applicable highlighted text to be taken to that text in the document.

You can also use the "Find" feature in the toolbar, but you won't be able to refine your search like you can with the "Search" function.

Click on "New search" if you want to perform another search.

(continued)



REAL-WORLD EXAMPLES ...

The following examples show you how to make the best use of the PDF search function.

■ **To find out if you can enroll your domestic partner under your plan coverage:**

- Access the search function, and search for “domestic.” The search results will be displayed in the results box. Click on the link to be taken to the exact information you need.
- Time spent searching? **5 seconds!**

■ **You are getting married, and you want to see if you can enroll your new spouse in your coverage:**

- You can save time by searching for “married,” “marriage” and “marry” all at the same time. To do so, access the search function, and search for “marr” (the first four letters of all three search terms). Every instance of “**m**arried,” “**m**arriage” and “**m**arry” in the summary will be displayed in the results box. Click on the links to see the plan provisions that apply. **Hint:** If you typed in “marr” and no instances were found, make sure the “Whole words only” box was not checked.
- Alternatively, you could have clicked on “When You Can Change Coverage” in the “bookmarks” shown at the left of the summary to be taken to that section of the summary. By scrolling through that section, you would have found the information you need in order to enroll your new spouse.
- Time spent searching? **20 seconds!**

■ **You need to take a military leave of absence and want to know how your benefits will be affected:**

- Access the search function, and search for “military.” The search results will be displayed in the results box. Click on the link to be taken to the “Military Leave” section of the summary.
Hint: Do not narrow your search too much. If you had entered a very specific term, such as “military leave of absence,” the search function would not have helped you because those exact words are not used in this summary. It is better to start with a more generic search term, such as “military,” and then narrow your search later if necessary.
- While you are reading the “Military Leave” section information, you see references to the “Uniformed Services Employment and Reemployment Rights Act (USERRA).” If you perform a follow-up search for “USERRA,” you will learn more about military leaves and your Company benefits.
- Time spent searching? **20 seconds!**