



PHILLIPS 66 RETIREMENT PLAN

Burlington Resources Inc. Pension Plan —
Final Average Earnings Participants

This is the summary plan description (“SPD”) for the Burlington Resources, Inc. Pension Plan Final Average Earnings (“plan”), and provides an overview of certain terms and conditions of the plan. The SPD is written in clear, everyday language designed to help participants understand the terms of the plan. Every effort has been made to ensure the accuracy of the information provided in this SPD. However, if there is any discrepancy or conflict between this SPD and the terms of the plan document, the plan document will control. Phillips 66 reserves the right to amend, change or terminate the plan at any time without notice, at its sole discretion. Nothing in this SPD creates an employment contract between the company or its subsidiaries or affiliates and any employee. Represented employees are eligible to participate in the plan only if provided for under the terms of an applicable collective bargaining agreement.

Title VI of the Phillips 66 Retirement Plan

Pension Benefits for Final Average Earnings (FAE) Participants

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The Burlington Resources Inc. Pension Plan is one part — called Title VI — of the Phillips 66 Retirement Plan. The Phillips 66 Retirement Plan as a whole includes the following sections:

- Main Title
- Phillips Retirement Income Plan — Title I
- Phillips 66 Cash Balance Account — Title II
- Tosco Pension Plan — Title III
- Retirement Plan of Conoco — Title IV
- Title V — Inactive
- Burlington Resources Inc. Pension Plan — Title VI

In this summary plan description (SPD):

- The “company” refers to Phillips 66 Company and all subsidiary companies that have adopted the plan. In addition to Phillips 66 Company, this includes Phillips 66 Pipeline LLC. In some contexts, “company” also refers to ConocoPhillips and historical Burlington Resources companies that participated in Title VI.
- The “plan” refers to the Phillips 66 Retirement Plan (as amended from time to time), including all of its Titles as listed above.
- The provisions of the Main Title and Title VI will be called “Title VI” to avoid confusion with other provisions of the plan as a whole. The term “Title VI” can also refer to the historical Burlington Resources Inc. Pension Plan before that plan was incorporated into the ConocoPhillips Retirement Plan. Title VI in the ConocoPhillips Retirement Plan was then cloned, effective May 1, 2012, as Title VI of the Phillips 66 Retirement Plan.

The provisions in this SPD are those that generally apply to currently active participants in the Final Average Earnings (FAE) benefit formula of Title VI. The benefits of those participants who have previously terminated employment are generally governed by the provisions in effect at the time their employment ended unless subsequent amendments to the plan for Title VI apply to them.

Separate SPDs describe the Cash Balance benefit formula of Title VI and the other Titles of the plan.

TITLE VI PLAN HIGHLIGHTS

The Burlington Resources Inc. Pension Plan (Title VI of the Phillips 66 Retirement Plan) has two separate benefit formulas:

- The “Final Average Earnings (FAE) benefit formula”; and
- The “Cash Balance benefit formula.”

This SPD applies only to “FAE Participants,” that is, participants whose retirement benefit is calculated according to the Title VI Final Average Earnings (FAE) benefit formula.

Benefits for “Cash Balance Participants” (whose retirement benefit is calculated according to the Title VI Cash Balance benefit formula) are described in a separate SPD, which is available online at <http://hr.phillips66.com/Resources/Summary-Plan-Descriptions.aspx> or by calling (855) 480-6634 or (918) 977-7905.

Title VI is intended to help provide you with a secure financial foundation on which to build your income for retirement.

- If you are not currently a participant in the plan, you cannot become a participant. The plan was closed to new entrants effective March 31, 2006.
- The company pays the entire cost of the plan. Employee contributions are not required or allowed.
- You are fully vested in the benefit provided by the FAE benefit formula of Title VI.
- Benefits are based on your final average monthly earnings (average of your highest-paid 36 consecutive months within your last ten years) and years of credited service.
- You can retire with full benefits when you reach your Normal Retirement Date, which is the first day of the month coincident with or immediately following the later of your 65th birthday or the completion of five years. The five years is measured either from the date you began participation in Title VI, or the date you complete five years of service, whichever is earlier.
- You meet the early retirement eligibility with reduced benefits if, at your employment end date, you are vested, are at least age 55 and you have 10 or more years of credited service. If you retire early, a supplemental benefit is payable to age 65.
- You may commence your benefit as of the first of the month after your employment end date. The benefit will be reduced for early receipt if commenced before your Normal Retirement Date.
- Your spouse may qualify for survivor benefits if you die before receiving Title VI benefits.
- If you were actively employed with the company on or after January 1, 2009, and have no spouse as of the date of your death, non-spouse beneficiaries that you designate will be paid the death benefit.
- If you elect a joint and survivor annuity option and die after your benefits have commenced, at your death your surviving spouse or beneficiary will receive a monthly benefit equal to 25%, 50%, 75% or 100% of the amount you received, depending on the option you elect.
- You may elect to receive your benefit as monthly annuity payments or as one lump-sum payment (subject to spousal consent rules if you are married).
- The Title VI benefit, when combined with Social Security and any benefit you have from our Savings Plan and your own personal savings and investments, provides the building blocks needed for retirement.
- If you are a former employee of The El Paso Company, Maxus Energy Corporation, Unicon, Union Texas Petroleum Corporation, Enron Oil & Gas China Ltd. or The Louisiana Land and Exploration Company (LL&E), and you are a participant in Title VI, additional rules may apply to you. See *Additional rules for certain participants affected by mergers or acquisitions* beginning on page 14 for details.

ABOUT TITLE VI

The plan, of which Title VI is a part, is sponsored by Phillips 66 Company.

Since this is only a summary of your Title VI benefits, you may have some questions about your benefits that are not answered here. For further information, you may contact the Benefits Center.

ELIGIBILITY

If you are not currently a participant in the plan, you cannot become a participant. The plan was closed to new entrants effective March 31, 2006.

You were eligible to participate in Title VI prior to March 31, 2006, if:

- You were an employee of one of the participating companies listed immediately below:
 - Burlington Resources Inc.;
 - BR Services Inc.;
 - Glacier Park Company;
 - Meridian Minerals Company;
 - Burlington Resources Oil and Gas Company (formerly known as Meridian Oil Inc. and subsequently merged into Burlington Resources Inc.);
 - El Paso Natural Gas Company;
 - Plum Creek Timber Company Inc.;
 - Plum Creek Management Company; or
 - The Louisiana Land and Exploration Company (subsequently merged into Burlington Resources Inc.);
- You were either a regular, full-time employee or a part-time or temporary employee who met the service requirements described at right; and
- You were not covered by a collective bargaining agreement.

Nonresident aliens with no U.S. source income, leased employees, and persons classified as independent contractors (even if later retroactively classified as employees) were not eligible to participate in Title VI.

PARTICIPATION IN TITLE VI

Under the rules in effect **prior to January 1, 2003**, if you were an eligible employee, you began participation in Title VI on the first day of the month after you completed a period of 12 consecutive months of employment with at least 1,000 hours of service. The first 12-month period began on your employment commencement date. If you had fewer than 1,000 hours during your first 12 months of employment, you could participate in Title VI after you completed a calendar year of employment in which you had at least 1,000 hours of service.

New participation rules applied **beginning on January 1, 2003**. Under these new rules, if you were an eligible employee and had not met the requirements for participation described above prior to January 1, 2003, you began participation in accordance with the following rules:

- If you were not a part-time or temporary employee, you began participation in Title VI on the later of (i) January 1, 2003 or (ii) the first day of the month coinciding with or next following your date of hire.
- If you were a part-time or temporary employee, you began participation in Title VI on the later of (i) January 1, 2003 or (ii) the first day of the month coinciding with or next following the later of:
 - Six months after your date of hire; or
 - Completion of 1,000 hours of service during the 12-month period beginning on your date of hire or during any calendar year.

Once you became a member of Title VI, your service, used to determine eligibility, became part of your **credited service** as explained in the following sections of this summary.

You earn an **hour of service** for each hour you are entitled to be paid by an employer participating in Title VI. This means you earn hours of service for time when you are actively at work and for paid time off, such as holidays, vacation, sick days, disability leave, layoff, jury duty, military duty and paid leaves of absence. If you are not paid on an hourly basis, you are credited with 190 hours of service for each month in which you have at least one hour of service.

As used in this section:

- A “part-time employee” is an employee whose regular work week is expected to be 20 hours or less.
- A “temporary employee” is an employee who is hired for a period that is not expected to be more than six months in duration.

If you were first hired on or after January 1, 2003, you are eligible for benefits under the Title VI Cash Balance benefit formula rather than the Title VI Final Average Earnings (FAE) benefit formula described in this SPD. See the separate SPD for Cash Balance Participants under Title VI.

Persons hired prior to January 1, 2003 were eligible to participate in the Title VI FAE benefit formula upon meeting the requirements for Title VI participation. You are an FAE Participant only if you were an FAE Participant in the Title VI FAE benefit formula on March 30, 2006 and an eligible employee on March 31, 2006. If you were an FAE Participant on March 31, 2006, you currently are eligible to continue participation in the Title VI FAE benefit formula. Any person who was not a participant in the Title VI FAE benefit formula on March 31, 2006 is not eligible to participate in the Title VI FAE benefit formula after March 31, 2006.

IF YOU ARE REHIRED

All participants in Title VI with a Final Average Earnings (FAE) formula benefit are vested. If you leave the company on or after May 1, 2012, and are subsequently rehired, you will participate in the Phillips 66 Cash Balance Account, Title II of the Phillips 66 Retirement Plan, with a zero opening balance. Please refer to the SPD for that Title for more information.

IF YOU ARE A REEMPLOYED VETERAN

Federal law gives you certain rights if you voluntarily or involuntarily leave the company to serve in any of the United States uniformed military services, including the Coast Guard, for active duty or training. To qualify for these rights, you must give the company advance written or verbal notice of your upcoming leave for military service and you must report back to work within certain time periods, depending on the length of your military service.

If you satisfy these requirements, the time you are away for military service is counted for vesting and benefit accrual purposes. Generally, a maximum of five years of military service will receive this treatment, unless service is extended due to a national emergency.

For more information, see the Phillips 66 Company Military Leave Policy or contact the Benefits Center.

CREDITED SERVICE

Generally, “credited service” means the length of time you work for the company or another employer participating in Title VI. You generally begin earning credited service on your first date of employment with a participating employer. You generally continue earning credited service until you leave the company and other participating employers, are discharged, retire or die. If you were hired by Burlington Resources Inc. (or another employer participating in Title VI) as a result of an acquisition or merger with another company, specified credited service under the other company’s qualified retirement plan may also count as credited service under Title VI. Contact the Benefits Center to find out if credited service with another company applies to Title VI, or see pages 14 – 16 for more details.

Credited service is an important factor in determining your benefits under Title VI. Different rules applied in determining credited service before and after January 1, 1999.

- Effective January 1, 1999**, you earned credited service for each year and month of service with the company or another employer participating in Title VI. Service for this purpose means the period of time during which you were paid or entitled to payment for performance of work duties, which began on January 1, 1999 (or the date you started employment, if later) and ending with the date you quit, retire, are discharged or die (or, if earlier, the first anniversary of your absence from work for any other reason). You receive credit for a month of service as long as you perform at least one hour of service during the month.
- On and after January 1, 1989 and prior to January 1, 1999**, you earned one year of credited service for each calendar year (other than the calendar year in which you became or ceased to be an employee) in which you completed at least 1,000 hours of service for the company or another employer participating in Title VI. You earned a prorated amount of credited service for the years in which you first became or ceased to be an eligible employee. For example, if you worked three months during your first year of employment, you would have received one quarter of a year of credited service for that calendar year. You received credit for each month in which you completed at least one hour of service as an eligible employee for a participating employer.

“Hour of service” is described on page 5.

You also earn credited service for the following periods of time:

- All credited service you may have had under the Burlington Northern Inc. Pension Plan and other recognized predecessor plans; or
- Time prior to age 65 while you are disabled and entitled to receive benefits from the company’s Long Term Disability Plan, provided that your disability began before January 1, 1999 or you completed 10 years of credited service (not counting the period of disability before you became disabled) prior to becoming disabled; or
- Time when you are on a leave of absence authorized by the company, provided that you return to active work (or are excused by the company from returning to active work) at the end of the authorized leave of absence; or
- Before January 1, 1999, time when you were laid off due to a reduction in force for a period of 12 consecutive months or less.

COST OF THE PHILLIPS 66 RETIREMENT PLAN

The company pays the entire cost of Title VI and the plan. Periodically, an independent actuary recommends how much Phillips 66 Company should contribute to the plan.

The plan's assets are held in a trust fund. The assets of the trust fund can only be used to pay plan benefits and administrative costs. Generally, the assets can be returned to the company only if the plan is terminated and all of the vested benefits are paid. You can find more details about the trustee in the *Other information/ERISA* section beginning on page 23 of this SPD.

RETIREMENT BENEFITS

YOUR NORMAL RETIREMENT BENEFIT

You may begin receiving full pension benefits from Title VI at your Normal Retirement Date. Your Normal Retirement Date under Title VI is the first day of the month coinciding with or following the later of:

- Your 65th birthday; or
- The earlier of:
 - The fifth anniversary of the date you began participation in Title VI; or
 - The date you complete five years of service.

YOUR MONTHLY BENEFIT

Your monthly Title VI FAE benefit formula pension benefit (payable in the form of a single life annuity for your life alone commencing on your Normal Retirement Date) is calculated using this formula.

$$\begin{aligned} & \{1.1\% \text{ of Final Average Monthly Earnings} \\ & \quad \textbf{plus} \\ & \quad 0.5\% \text{ of Final Average Monthly Earnings} \\ & \quad \text{above the Monthly Breakpoint}\} \\ & \quad \textbf{times} \\ & \quad \text{Credited Service (no maximum)} \end{aligned}$$

If you are entitled to benefits under the retirement plan of certain merged or acquired companies, your Title VI benefit may be modified. See pages 14 – 16 regarding additional rules.

In no event will your benefit under Title VI be less than the accrued benefit you earned as of the date of any change that affects how benefits are determined in the future.

“Final average monthly earnings” is the average of your highest-paid 36 consecutive months of employment within the 120 months immediately prior to your termination of employment. If you have less than 36 consecutive months of employment, your final average monthly earnings will be based on your average earnings during your most recent 36 months of employment (whether or not consecutive) or your total period of employment, whichever is less. The “earnings” used to figure your final average monthly earnings **include** your base earnings, overtime pay, shift differentials, pre-tax employee contributions to the Phillips 66 Savings Plan and other pre-tax benefit participation, and eligible annual non-deferred cash incentive bonuses (when paid). In addition, if you have credited service under a predecessor plan, your final average monthly earnings may include amounts recognized as earnings for benefit accrual purposes under that plan.

“**Earnings**” used to figure your final average monthly earnings **exclude** payments under nonqualified deferred compensation plans, stock option, stock bonus, capital income and phantom stock plans, severance benefits, unused vacation, and all other commissions and extra or added compensation or benefits of any kind. Any earnings during any year in excess of a dollar limitation, which is \$270,000 in 2017, are not considered in calculating your final average monthly earnings. This limit is subject to cost-of-living increases.

If you continue to earn credited service while you are on an authorized leave of absence, you are deemed to receive earnings while on leave equal to your earnings in the last full calendar month before your leave began, less any nondeferred annual incentive bonus paid in that month. Also, for any period during

which you earn credited service while you are disabled, Title VI credits you with monthly earnings equal to your earnings in your last full calendar month of employment before you became disabled, less any nondeferred annual incentive bonus paid in that month. If you are disabled but do not earn credited service, your final average monthly earnings are determined on the date you stopped earning credited service.

“**Monthly breakpoint**” is a dollar amount equal to 1/36th of the Social Security wage base in effect in the year you leave the company. For 2017, the Social Security wage base – the maximum annual earnings subject to Social Security taxes – is \$127,200, so the monthly breakpoint for 2017 is \$3,533.33, which is 1/36th of \$127,200.

For example ...

Suppose you retire in 2017 at age 65 with 28 years of credited service, and your final average earnings are \$10,000 a month. Your earnings above the monthly breakpoint are \$6,466.67 (\$10,000 – \$3,533.33). Your monthly pension benefit in the form of a single life annuity would be figured as follows:

$$1.1\% \text{ of Final Average Monthly Earnings } (1.1\% \times \$10,000) = \$ 110.00$$

plus

0.5% of Final Average Monthly Earnings above the Monthly Breakpoint (0.5% x \$6,466.67)	$\begin{array}{r} \underline{\quad 32.33} \\ = \quad 142.33 \end{array}$
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times

Credited Service (28 yrs.)	$\begin{array}{r} \underline{\quad 28} \\ = \quad \$3,985.24 \end{array}$
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In this example, you would receive a pension of \$3,985.24 a month for the rest of your life, with payments stopping at your death.

This example is based on Title VI FAE benefit formula provisions in effect as of January 1, 2017. It assumes that there are no reductions for accrued benefits under another employer’s retirement plan.

YOUR EARLY RETIREMENT BENEFIT

Your early retirement benefit is figured the same way as a normal retirement benefit, based on your credited service, final average monthly earnings and the Social Security wage base as of the day you leave employment.

You may elect early retirement if you leave the company after you reach age 55, as long as you have at least 10 years of credited service. Your monthly benefit may commence as of the first day of any month after you retire and before your Normal Retirement Date. This benefit is reduced to allow for the fact that you are expected to receive it for more years.

In addition, if you elect to retire early – between the ages of 55 and 64 – you also have the option of deferring your monthly pension benefit until you reach age 65. In this case, your benefits are not reduced for early retirement.

How your benefit is reduced for early commencement

If you retire early and elect to begin receiving benefits, your benefit is reduced to reflect payments over a longer period of time. In general, your benefit is reduced one-sixth of 1% for each month (2% for each year) that it is paid before age 65.

For example ...

Suppose that, after 24 years of credited service, you retire in 2017 at age 60. Also assume that you would be eligible for an unreduced benefit of \$3,267.00 a month beginning at age 65.

Using these assumptions, the following chart shows how much your benefit would be reduced for each year that the start date of your benefit precedes your 65th birthday:

Age When Payments Begin	Percentage of Reduction	Amount Paid
65	0%	\$3,267.00
64	2%	\$3,201.66
63	4%	\$3,136.32
62	6%	\$3,070.98
61	8%	\$3,005.64
60	10%	\$2,940.30

Under these assumptions, if your payments began at age 60, you would receive a monthly retirement benefit of \$2,940.30.

If you were a participant in Title VI on December 31, 1998, your early retirement benefit will not be less than the benefit earned on that date.

Supplemental early retirement benefit

If you retire early and begin receiving early retirement benefits, supplemental benefits are payable monthly, in addition to your early retirement benefits, until you reach age 65.

The supplemental early retirement benefit is equal to:

$$1\% \text{ of Final Average Monthly Earnings up to the Monthly Breakpoint} \\ \times \\ \text{Credited Service (no maximum)}$$

Your supplemental early retirement benefits are reduced by one-sixth of 1% for each month (2% per year) that your benefits begin before age 65.

For example ...

Using the assumptions in the earlier example (*How your benefit is reduced for early commencement*) on the previous page, your supplemental early retirement benefit would be calculated as follows:

1% of Final Average Monthly Earnings up to the Monthly Breakpoint (1% x \$3,533.33) = \$ 35.33

	<i>times</i>
Credited Service (24 years)	<u>24</u>
	\$847.92

Your supplemental benefit of \$847.92 would then be reduced by 10%, or \$84.79, for payments to start at age 60. In this example, you would receive a supplemental benefit of \$763.13 a month (\$847.92 - \$84.79) until you reach age 65.

YOUR DEFERRED RETIREMENT BENEFIT

You may continue to work past age 65. In this case, your benefits would begin when you leave employment. The date on which you retire following your Normal Retirement Date is called your Deferred Retirement Date.

Your deferred benefit will take into account your service and earnings beyond your Normal Retirement Date and the Social Security wage base when you leave work. In no event will your benefit be less than the benefit you would be entitled to if you had retired on your Normal Retirement Date, actuarially increased to reflect later commencement.

VESTED TERMINATION BENEFITS: IF YOU LEAVE BEFORE MEETING EARLY RETIREMENT ELIGIBILITY

You are fully “vested” in the benefit provided by the FAE benefit formula of Title VI.

Being vested means you have a non-forfeitable right to the benefits you have accrued under Title VI when you terminate your employment with the company.

If you leave the company after you are vested but before you are eligible for early retirement (that is, before you are age 55 with at least 10 years of credited service), you will be entitled to a “vested termination” benefit from Title VI.

Any vested benefit you are entitled to receive is figured in the same way as a normal retirement benefit, using your credited service and final average monthly earnings and the Social Security wage base as of your last day of work, and then reduced if it is paid before your Normal Retirement Date.

- If the lump-sum present value of your vested termination benefit is **greater than \$1,000**, you may choose to receive your benefit when you terminate employment with the company or you may defer receipt to a later date.
 - If you elect to take your benefit when you terminate, it will be calculated as of the first day of the month following termination of your employment and will be paid or commence to be paid to you as soon as administratively possible thereafter.
 - If you do not receive an immediate distribution, you can begin to receive your vested termination benefit as of the first day of any month thereafter, but not later than your Normal Retirement Date.
- If the present value of your benefit is **\$1,000 or less** on the date it is scheduled to be paid, and you have no other benefit from another title of the Phillips 66 Retirement Plan, your benefit will be paid to you in a lump sum and automatically distributed as soon as administratively possible after you terminate employment. No other form of payment will be available.
- If you elect to have benefits begin before your Normal Retirement Date, your benefit is reduced to reflect the longer period of time over which your benefit is paid. The reduction is 0.4167% for each of the first 120 months your benefit commencement date (the effective date of record used in calculating your vested pension benefit) precedes your Normal Retirement Date — 5% per year for the first 10 years — and reduced actuarially for any additional months.

FOR EXAMPLE ...

Bob terminates employment at age 52 with 12 years of credited service. He is vested but not eligible for early retirement. Bob has earned a monthly benefit of \$1,526 per month payable at age 65. His benefit would be reduced to \$574.63 if he elected to have benefits begin immediately (at age 52).

Bob would receive this monthly benefit for the rest of his life, with benefits stopping at his death.

LIMITATIONS ON PLAN BENEFITS

The plan limits the benefits payable to highly paid participants. These limits are set by law. If your benefit is affected, you will be notified.

HOW YOUR TITLE VI PENSION BENEFITS ARE PAID

Under Title VI, if the lump-sum present value of your vested accrued benefit is greater than \$1,000, you may choose to have your normal, early, deferred or your vested termination retirement benefits paid in a number of ways. After benefits begin, however, you may not change the form of payment.

Federal law requires that your benefit be paid as shown below unless you elect a different payment form by the time your benefit **must** begin. If you do not elect a form of payment, your vested pension benefit will be paid under one of the required payment methods. The **required** payment method used depends on your marital status at the time you begin receiving benefits. The payment methods are:

- **Single life annuity**, the **required** payment method if you are single (or an optional form of payment if you are married);
- **25% joint and survivor (25% J&S) annuity**, an optional form of payment;
- **50% joint and survivor (50% J&S) annuity**, the **required** payment method with your spouse as beneficiary if you are married;
- **75% joint and survivor (75% J&S) annuity**, an optional form of payment;
- **100% joint and survivor (100% J&S) annuity**, an optional form of payment;
- **10-year certain and life**, an optional form of payment available only for benefits accrued through December 31, 2013 (**another form of payment will need to be chosen for benefits accrued after December 31, 2013, if applicable**); or
- **Lump-sum payment**, the automatic form of payment if your benefit is \$1,000 or less and you have no other benefit from another title of the Phillips 66 Retirement Plan (an optional form of payment if your distribution is greater than \$1,000).

Note: If you are married when your payments begin you may reject the required 50% J&S payment method with your spouse as beneficiary only if you obtain your spouse's consent to any other payment method and/or beneficiary designation (unless you select the 75% or 100% J&S payment method with your spouse as beneficiary). Your spouse must sign a consent form and have it witnessed by a notary public.

SINGLE LIFE ANNUITY

A single life annuity provides you with a lifetime monthly benefit. Benefits stop when you die.

If you are not married when your benefit payments start, the required form of payment for you is a single life annuity. To elect this optional form of payment if you are married, your spouse must sign a consent form and have it witnessed by a notary public.

The amount payable to you in the form of a single life annuity is determined by calculating the single life annuity that is actuarially equivalent in value to a lump-sum payment of your plan retirement benefit payable on your annuity starting date.

JOINT AND SURVIVOR (J&S) ANNUITY

A J&S annuity provides a reduced monthly benefit for your lifetime and, after you die, provides your surviving beneficiary with a specified percentage (25%, 50%, 75% or 100%) of the benefit you were receiving before your death. The monthly amount you receive under a J&S annuity is smaller than the amount paid under a single life annuity, because your pension is expected to be paid over two lifetimes. The amount of the reduction depends on your age and your beneficiary's age when benefits start. All of the J&S annuity options are actuarially equivalent to the single life annuity.

If you are married when your benefit payments begin, the required form of payment for you is a 50% J&S annuity with your spouse as the beneficiary. You need your spouse's consent to choose the 25% J&S annuity, or to name a beneficiary other than your spouse. For your spouse to give this consent, he or she must sign a consent form and have it witnessed by a notary public. However, you can choose the 50%, 75% or 100% J&S annuity without your spouse's consent as long as your spouse is the beneficiary.

The 25%, 75% and 100% J&S annuity payment methods work in the same way as the 50% J&S annuity, with 25%, 75% or 100%, respectively, of your reduced benefit continuing to your surviving beneficiary after your death.

10-YEAR CERTAIN AND LIFE ANNUITY

The 10-year certain and life annuity option is available only for benefits accrued through December 31, 2013. You will need to select another form of payment for benefits accrued after December 31, 2013.

If you choose this optional form of payment, you receive a reduced monthly benefit until your death. Under this option, a minimum of 120 months – 10 years – of payments must be made under Title VI. If you die before 120 payments are made, your designated beneficiary receives the remaining payments until a combined total of 120 payments are made. If your beneficiary also dies before the total 120 payments are made, any remaining payments will be paid to your beneficiary's estate. Monthly benefits under this option are less than the single life annuity to reflect the value of this minimum 120-month benefit form.

If you live longer than the guaranteed payment period of 120 months, your pension benefit will continue for the remainder of your life and will end at your death. In this case, your beneficiary will not be eligible to receive a pension benefit after your death.

This optional form of payment is actuarially equivalent to the single life annuity.

If you are married and elect this option, your spouse must sign a consent form and have it witnessed by a notary public.

LUMP-SUM BENEFIT

The lump-sum benefit option pays your benefit as a single payment. It is available if you are single or married. If you are married, your spouse must sign a consent form and have it witnessed by a notary public to elect this optional form of payment.

For a benefit other than a vested termination benefit, the lump-sum payment will be the actuarial equivalent of your early, normal or deferred retirement benefit (whichever applies), determined according to Title VI provisions. For a vested termination benefit, the lump-sum payment will be the actuarial equivalent of your normal retirement benefit.

The actuarial bases (mortality tables and interest rate types) used to convert a single life annuity to a lump-sum payment vary depending on the period in which your Title VI benefit was earned.

The benefit earned **prior to January 1, 2009** (reduced if and as appropriate for early commencement), is converted to a lump sum using the monthly average of 30-year Treasury securities rates as published by the Federal Reserve or the U.S. Treasury. The rate used to determine the lump sum of that benefit will be the lower of:

- The rate for the fourth month before the calendar quarter in which you begin your benefit; or
- The rate for the month before the month in which your benefit begins, provided that rate is one percentage point or more lower than the rate for the fourth month before the calendar quarter in which you begin your benefit.

The mortality table used to convert the benefit earned prior to January 1, 2009, is the 1994 Group Annuity Reserving (GAR-94) Table projected to 2002 consisting of a 50% female/50% male gender mix and applied as a unisex table.

The benefit earned **on or after January 1, 2009** (again, reduced if and as appropriate for early commencement), is converted to a lump sum using the three segment interest rates derived from the corporate bond yield curve as cited in Section 417(e)(3) of the Internal Revenue Code. These rates used will be the rates for the fourth month before the calendar quarter in which the benefit is commenced.

The mortality table used to convert the benefit earned on or after January 1, 2009, is the table found in Section 417(e)(3) of the Internal Revenue Code as prescribed for use in the year of commencement.

If your Title VI benefit includes **both amounts earned prior to January 1, 2009, and amounts earned on or after January 1, 2009**, the lump sum will be the combination of the lump sum of the benefit earned prior to January 1, 2009 (using the above-referenced actuarial basis) and the lump sum of the benefit earned on or after January 1, 2009 (using the above-referenced actuarial basis for it) in an A+B method.

As required by law, in no event shall the lump sum of your full accrued benefit payable at commencement in single life form be less than that derived using the mortality table and three segment interest rates as described in Section 417(e)(3) of the Internal Revenue Code. This is referred to as the legally-required minimum lump sum.

If the total value of your vested benefit is **\$1,000 or less** when you leave the company or retire, and you have no other benefit from another title of the Phillips 66 Retirement Plan, you will automatically receive your benefit in a single lump-sum payment as soon as administratively possible following your termination.

ADDITIONAL RULES FOR CERTAIN PARTICIPANTS AFFECTED BY MERGERS OR ACQUISITIONS

The rules described in this section apply to participants who became employees of the company in connection with certain mergers or acquisitions.

FORMER EMPLOYEES OF THE EL PASO COMPANY AND AFFILIATED COMPANIES

If you were an active participant in the Employees Retirement Income Plan of The El Paso Company and Affiliated Companies (the El Paso Plan) on December 31, 1984, your normal retirement benefit will be the greater of the benefit you have earned under Title VI or 102% of the following:

Your accrued benefit as of December 31, 1988 under the El Paso Plan in effect on December 31, 1984, assuming continuation of your December 31, 1984 compensation
plus
1.65%
times
Your December 31, 1984 compensation (under Section 1.14 (a) of the El Paso Plan)
times
Your years of credited service earned after December 31, 1988

Keep in mind, your monthly benefit under the former El Paso Plan will be reduced if you retire:

- Before meeting the Rule of 85 requirements (age plus service equals 85); or
- After age 55, but before reaching age 65 and before earning 10 years of credited service.

In this case, benefits are reduced 3% for each of the first five years and 5% for each of the next five years your retirement date precedes age 65 (pro-rated for partial years).

If you are entitled to receive an annuity under the Group Annuity Plan in effect on December 31, 1984, through The El Paso Company and Affiliated Companies, and benefits under Title VI are greater, benefits under Title VI will be reduced by the amount of the annuity being received under the Group Annuity Plan.

MAXUS ENERGY CORPORATION

This paragraph applies to former employees of Maxus Energy Corporation who were hired by a participating employer on June 16, June 20, or July 1, 1994. The credited service for vesting and benefit accrual purposes under Title VI for this group of employees includes credited service earned under the Maxus Career Average Retirement Income Plan (“Maxus Plan”) on or after February 1, 1987. The accrued benefit under Title VI is reduced by the accrued benefit earned under the Maxus Plan from and after February 1, 1987.

UNICON

This paragraph applies to former employees of Unicon who were hired by a participating employer on June 23, August 1, or November 16, 1990. The credited service for vesting and benefit accrual purposes under Title VI for this group of employees includes credited service earned under the Union Texas Petroleum Salaried Employees’ Pension Plan (“UTP Plan”). The accrued benefit under Title VI will not be less than the employee’s accrued benefit under the UTP Plan on his or her last day of employment with Unicon.

UNION TEXAS PETROLEUM CORPORATION

This paragraph applies to former employees of Union Texas Petroleum Corporation who were hired by a participating employer between September 17 and December 31, 1991. The credited service for vesting and benefit accrual purposes under Title VI includes credited service earned under the UTP Plan. The accrued benefit under Title VI will be reduced by the employee’s benefit earned under the UTP Plan.

ENRON OIL & GAS CHINA LTD.

This paragraph applies to former employees of Enron Oil & Gas China Ltd. who were hired by a participating employer in September 2001 following the company’s acquisition of certain assets of Enron Oil & Gas China Ltd. Service with Enron Oil & Gas China Ltd. is included in such employee’s service for vesting and benefit accrual purposes under Title VI. The accrued benefit under Title VI will be reduced by the actuarial equivalent of the employee’s vested cash balance account balance under the Enron Corp. Retirement Plan as of August 31, 2001 adjusted for interest until the benefit commencement date (except that, if distribution is made in a lump sum, the offset will be in the amount of the employee’s cash balance account under the Enron Corp. Retirement Plan as of August 31, 2001 adjusted for interest until the benefit commencement date).

THE LOUISIANA LAND AND EXPLORATION COMPANY (“LL&E”)

This section applies to a participant in The LL&E Pension Plan on December 31, 1998, who became an eligible employee in Title VI on January 1, 1999. These individuals are called Former LL&E Plan Participants. The LL&E Pension Plan was merged into Title VI effective January 1, 1999. The purpose of these provisions is to satisfy federal law regarding preservation of benefits following mergers of retirement plans and not to provide extra benefits to Former LL&E Participants.

Former LL&E Plan Participants became participants in Title VI on January 1, 1999. Credited service under Title VI for a Former LL&E Plan Participant includes all years and months of benefit service credited under The LL&E Pension Plan as of December 31, 1998. The period of service for vesting purposes under Title VI for a Former LL&E Plan Participant includes all years of service for vesting purposes credited under The LL&E Pension Plan as of December 31, 1998.

A Former LL&E Plan Participant who had three years of service for vesting purposes under The LL&E Pension Plan on December 31, 1998, is fully vested in his or her accrued benefit under Title VI upon disability and reaching age 50 with 10 years of credited service, provided he or she is an employee on this date.

The accrued benefit of a Former LL&E Plan Participant will not be less than the sum of his or her accrued benefit under The LL&E Pension Plan as of December 31, 1998, and the benefit otherwise determined under Title VI based only on credited service after December 31, 1998. A normal retirement, early retirement or vested termination benefit payable to a Former LL&E Plan Participant under Title VI will not be less than the Former LL&E Plan Participant's benefit determined under provisions of The LL&E Pension Plan as of December 31, 1998.

In addition to the forms of payment available under Title VI, a Former LL&E Plan Participant is entitled to elect any form of payment offered under The LL&E Pension Plan as of December 31, 1998.

For more information about how Title VI applies to Former LL&E Plan Participants, please contact the Benefits Center.

SURVIVOR BENEFITS

Your spouse or (in some cases) a non-spousal beneficiary may be eligible to receive a monthly pre-retirement survivor benefit from Title VI if you die after becoming vested and before you begin receiving vested benefits under Title VI.

A pre-retirement survivor benefit is not payable to your spouse or other beneficiary if you were receiving benefits from Title VI at your death. In that situation, benefits will be payable according to the form of payment in place on your date of death.

The following chart summarizes the various forms of survivor benefits. The benefit varies depending on when your employment ends.

Eligibility	Benefit Amount	Form of Benefit & When Paid
Spouse <i>(must have been married to your spouse on the date of your death)</i>	Vested accrued benefit as of the date of your death, actuarially adjusted for any difference between your and your spouse's ages. Reduced if benefits are paid before you would have attained age 65.	Payable as monthly annuity or lump sum per spouse's election. Spouse may elect to begin the spousal survivor annuity benefit as of the first day of any month on or after your death, but not later than your Normal Retirement Date (or, if you worked past your Normal Retirement Date, the first day of the month on or after your date of death). OR Spouse may elect a lump sum actuarially equivalent to the monthly benefit, to be paid as of the first of the month following death. The lump-sum benefit may not be deferred.
Non-spouse beneficiary <i>(if you are not married, with "married" defined as having been married to your spouse on the date of your death)</i>	Vested accrued benefit as of the date of your death, actuarially adjusted for any difference between your and your beneficiary's age or beneficiaries' ages. Reduced if benefits are paid before you would have attained age 65.	Payable as lump sum only, actuarially equivalent to the monthly benefit, payable as soon after death as administratively feasible.

Keep in mind, payments are reduced if they are paid before you would have attained age 65. As a result, if your spouse is eligible to receive payments before you would have attained age 65, he or she may choose to postpone the beginning of annuity payments until the first day of any month on or before your Normal Retirement Date. A non-spouse beneficiary may not postpone payments.

If the value of your spouse's pre-retirement survivor benefit is \$5,000 or less, your spouse automatically receives this value in a lump-sum payment from Title VI in lieu of the monthly benefit described above.

IF YOU BECOME DISABLED

If you became disabled prior to January 1, 1999 or after completing 10 years of credited service (not counting any period of disability) prior to becoming disabled, you continue to earn credited service under Title VI during a period of disability until you retire or reach age 65, whichever comes first. For this purpose, disability means you qualify for benefits under the company's Long Term Disability Plan or you are determined to be disabled by the granting of a disability award by the Social Security Administration.

Your benefit will be figured in the same way as a normal retirement benefit, or an early retirement benefit if you retire before age 65.

IF YOU RETURN TO WORK AFTER BENEFITS BEGIN

If you return to work after retirement or other termination of employment and you were receiving benefits during the time you were away from work, your benefits will continue upon your reemployment.

HOW DO I NAME A BENEFICIARY?

To make sure any death benefits are paid as you want, you must name (or "designate") your beneficiary. You may make or update your beneficiary designation on UPoint. If you have additional questions, you may contact the Benefits Center.

The following rules apply to beneficiary designations:

- If retirement payments have already begun before the Benefits Center receives a valid beneficiary designation, those payments will not change.
- If you are **married** and name anybody other than your spouse as your beneficiary, your spouse must agree to the designation in writing (witnessed by a notary public).
- If you are **single**, you can name any person or persons, including a trust or estate, as your primary beneficiary and contingent beneficiary.
- The Benefits Center will use the last designation on file prior to commencement of your benefit.
- **If your spouse is your designated beneficiary and your marriage ends before your retirement benefit begins, that designation is automatically void as of the date your marriage ends.** You should update your designation if your marital status changes.
- If all of your beneficiaries die before you do, or there is no valid designation on file at your death, your beneficiary will be determined based on the following order of priority:
 - Your surviving spouse.
 - Your estate.

HOW TO BEGIN RECEIVING YOUR BENEFIT

Before your Title VI benefit can begin, you must:

- No longer be employed by the company on your requested benefit commencement date;
- Have a vested benefit; and
- Properly complete and submit all forms and documents required for commencement to the Benefits Center no more than 180 days before your benefit commencement date. You are strongly encouraged to begin this process by requesting a benefit commencement packet approximately 60 – 90 days before your desired benefit commencement date. **In order to receive your requested benefit commencement date, you MUST have requested a benefit commencement packet by no later than the 15th day of the month before your requested benefit commencement date.**
 - If you apply online and elect a form of payment that does not need spousal consent, or are a single participant, the entire retirement process can be completed online with no forms to return.
 - Instead of applying online, you may complete paper forms. The properly completed and signed forms must be received by the Benefits Center within the timeframe stated in your retirement packet. If not, the benefit election will expire and you will need to start over. This may delay the start date of the benefit or change the anticipated interest rate (which can affect the final benefit amount).

WHEN BENEFITS BEGIN

Title VI benefits are scheduled to begin on your Normal Retirement Date. However, you may elect to begin benefits on the first of the month of any month after your employment ends up to your Normal Retirement Date.

Benefits under Title VI are generally paid (lump-sum form) or started (annuity form) four to six weeks after your requested benefit commencement date if your benefit commencement application is timely requested and completed.

IF YOU CONTINUE WORKING BEYOND YOUR NORMAL RETIREMENT DATE

- Your benefits will not begin on your Normal Retirement Date. Instead, they will begin on the first of the month following the date you actually leave employment.
- During the time you work after your Normal Retirement Date, you will continue to earn additional credited service and your benefit will take into account earnings and the Social Security wage base up to when you end employment. This may result in an increased benefit. In no event will your benefit be less than the benefit you would be entitled to if you had left employment on your Normal Retirement Date, actuarially increased to reflect the later commencement.

Mandatory commencement

Your Title VI benefit **must** begin by no later than the earliest of the following dates:

- At your Normal Retirement Date, if you have terminated from employment before that date; or
- The first of the month after your employment ends if you work beyond your Normal Retirement Date.

DO I PAY TAXES?

Yes, all or part of your retirement benefit is taxable. You may need to pay federal and (if applicable) state and/or local income taxes on payments from the plan depending on how your benefit is paid. Here is how it works:

If your benefit is paid as ...	Taxes and penalties ...
A monthly annuity	Under current law, federal, state and/or local income taxes, as applicable , may be withheld from each payment at required income tax rates.
A lump sum	<ul style="list-style-type: none"> • 20% federal income tax will be withheld. • If you are under age 59½, a 10% early withdrawal federal tax penalty may also apply but this amount will not be withheld. Under current law, this 10% federal tax penalty would not apply if you end employment with the company during or after the year you reach age 55.* • State and local taxes and penalties may also apply. • You can avoid some or all of the withholding and tax penalties by electing a direct rollover, as described below.

* The penalty is waived for permanent and total disability and for certain medical expenses. You should consult your personal financial or tax advisor for guidance.

For more information, see the **Special Tax Notice Regarding Plan Payments** that is available from the Benefits Center. You will also receive this **Notice** when you apply to begin your benefit. **It is strongly recommended that you talk to your tax or financial advisor before choosing the way your benefit is paid or when your benefit begins.**

How do I roll over my lump-sum distribution?

You can roll over your lump-sum distribution to a tax-qualified retirement plan such as an IRA, the Phillips 66 Savings Plan or another employer’s plan that accepts rollovers. When you elect a direct rollover:

- Mandatory tax withholding does not apply to the amount that is directly rolled over; and
- You will postpone paying taxes on the amount rolled over until it is eventually distributed from the plan receiving the rollover.

There are two ways to do a rollover:

<p>With a direct rollover</p>	<ul style="list-style-type: none"> You tell the Benefits Center to make part or all of your distribution payable directly to the custodian of the IRA or trustee of the other plan. No taxes are withheld on the amount of a direct rollover.
<p>With an indirect rollover</p>	<ul style="list-style-type: none"> You get a check for the distribution made payable to you. Taxes (federal and any applicable state/local withholding) are withheld from your distribution. You can choose to roll over part or all of the distribution into another plan. You must make this election and deposit the money within 60 days after you get the check. If you want to roll over the entire amount of the distribution, you will need to replace any taxes withheld with money from some other source. You are responsible for following all applicable guidelines to make sure you complete the indirect rollover within the 60-day deadline.

CLAIMS AND APPEALS

All claims and appeals involving a determination of disability are adjudicated in a manner designed to ensure the independence and impartiality of the persons involved in making the decision. Decisions regarding hiring, compensation, termination, promotion, or similar matters with respect to anyone involved in claims or appeals determinations are not made based on the likelihood that the individual will support the denial of benefits.

HOW DO I FILE A CLAIM?

If benefits are denied and you believe you have a claim against the plan, you should mail or deliver a statement **in writing** to the Plan Benefits Administrator (see page 25) explaining the reasons for your claim. Provide as much information about the basis for your claim as you can.

The Plan Benefits Administrator will notify you of the approval or denial of your claim within:

- 45 days from receipt of your claim involving a determination of disability. If additional time is needed to render a decision, two additional 30-day periods may be taken, and written notice of those extensions will be provided prior to the end of the preceding period.

- 90 days from receipt of any other type of claim. If additional time is needed to render a decision, an additional 90-day period may be taken, and written notice of this extension will be provided prior to the end of the initial period.

For a claim involving a determination of disability:

- If a period of time is extended due to your failure to submit information necessary for a claim decision, you will be notified of this in writing and given at least 45 days to provide the information.
- In that event, the deadline for making the decision will be extended by the length of time that passes between the date you were notified that more information is needed and the date the Plan Benefits Administrator receives your response to the request for more information.

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

- Specific reason(s) for the denial.
- References to the plan provisions that support the denial.
- A description of any additional materials or information that is necessary to complete the claim, and an explanation of why the material is necessary.

- An explanation of the plan's claims review procedures and the applicable time limits.
- A statement of your right to bring a civil action under ERISA section 502(a) within two years following denial of your claim on review.

HOW DO I APPEAL A CLAIM DENIAL?

APPEALS MUST BE FILED WITHIN:

- 180 days of your receipt of a claim denial involving a determination of disability.
- 60 days of your receipt of any other type of claim denial.

If you believe your claim was incorrectly denied, you may appeal **in writing** to the Benefits Committee within the deadlines shown in the box above. You may submit written comments, documents, records and other information.

Upon request, you will be provided, free of charge, reasonable access to and copies of all documents, records and other information relevant to your claim. The Benefits Committee's review will take into account all comments, documents, records and other information relating to the claim without regard to whether the information was submitted or considered in the initial claim determination.

The committee will notify you of the approval or denial of your appeal within:

- 45 days from receipt of your request for appeal of claims involving a determination of disability. If additional time is needed to render a decision, an additional 45-day period may be taken, and written notice of this extension will be provided prior to the end of the initial period.
- 60 days from receipt of your request for appeal of any other type of claim. If additional time is needed to render a decision, an additional 60-day period may be taken, and written notice of this extension will be provided prior to the end of the initial period.

If a period of time is extended due to your failure to submit information necessary for a decision, the period for deciding the appeal will be suspended until the date that you provide such additional information to the committee.

If any new or additional evidence is considered, relied upon or generated by (or at the direction of) the Benefits Committee in deciding an appeal involving a determination of disability, or if any new or additional rationale for the denial of benefits involving a determination of disability is determined by the Benefits Committee, you will be provided with the new or additional evidence or rationale, as applicable, and be given a reasonable opportunity to respond to such new or additional evidence or rationale.

The Benefits Committee's decision will include:

- Specific reason(s) for the denial.
- References to the plan provisions upon which the decision was based.
- If your appeal involved a determination of disability, the committee's written decision will also include any internal rule, guideline, protocol or similar criterion that was relied on; and, if applicable, an explanation of the scientific or clinical judgment used by the committee in its determination, applying the terms of the plan to your medical circumstances. Alternatively, the written decision may note that such explanation will be provided free of charge upon request.
- A statement that you can receive copies of, without charge, all documents, records and other information relevant to your claim.
- A statement of your right to bring a legal action under section 502(a) of ERISA within two years after the denial.

OTHER INFORMATION/ERISA

This section provides you with general information about the Phillips 66 Retirement Plan (plan), which includes the Burlington Resources Inc. Pension Plan – Title VI. It also gives you information you're required to receive under the Employee Retirement Income Security Act of 1974 (ERISA).

Phillips 66 Retirement Plan <i>(Includes the Burlington Resources Inc. Pension Plan – Title VI)</i>	
Type of plan	Defined benefit pension plan that is intended to be qualified under Internal Revenue Code Section 401(a)
Plan number	001
Plan year	January 1 – December 31
Sources of contributions	<p>Each year, an actuary determines the range of company contributions on a basis acceptable under ERISA. The company is required under ERISA to make contributions necessary to provide benefits under the plan that aren't provided from insurance contracts.</p> <p>Employee contributions are presently not required or allowed.</p> <p>Since September 1, 1986, all company contributions have gone into the trust fund. The trust fund is administered by trustees, insurance companies and investment managers. All plan expenses are paid from the trust fund unless paid by the company. Employee contributions to the superseded plan and the prior plan were credited to this plan on September 1, 1986 and were covered under insurance contracts as of that date.</p>
Plan trustees	Bank of New York Mellon 1 Wall Street New York, NY 10286
Insurance carriers for certain insured benefits	Prudential Insurance Company of America (1968 to September 1, 1986)

WHAT ARE MY RIGHTS UNDER ERISA?

As a participant in the plan, you're entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA), as amended. ERISA provides that all plan participants are entitled to:

RECEIVE INFORMATION ABOUT THE PLAN AND YOUR BENEFITS

- Examine, without charge, at the Plan Benefits Administrator's office and at other specified locations, such as work sites and union halls, all documents governing the plan, including insurance contracts and collective bargaining agreements, and a copy of the latest annual report (Form 5500 Series) filed by the plan with the U.S. Department of Labor and available for review at the Public Disclosure Room of the Employee Benefits Security Administration.
- Obtain, upon written request to the Plan Benefits Administrator, copies of documents governing the operation of the plan, including insurance contracts and collective bargaining agreements, and copies of the latest annual report (Form 5500 Series) and updated Summary Plan Description. The Plan Benefits Administrator may make a reasonable charge for the copies.
- Receive a summary of the plan's annual financial report. The Plan Benefits Administrator is required by law to furnish each participant with a copy of this summary annual report).

- Obtain a statement telling you whether you have a right to receive a benefit at your normal retirement date (age 65) and if so, what your benefit would be at your normal retirement age if you stopped working as of the date of the statement. If you don't have a right to a benefit, the statement will tell you how many more years you have to work to get a right to a benefit. **You must request this statement in writing. The company is not required to give the statement more than once every 12 months.** The plan must provide the statement free of charge.

PRUDENT ACTION BY PLAN FIDUCIARIES

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

ENFORCE YOUR RIGHTS

If your claim for a benefit is denied or ignored, in whole or in part, you have a right to receive a written explanation of the reason for the denial, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules.

Under ERISA, there are steps you can take to enforce your rights. For instance, if you request a copy of plan documents or the latest annual report from the plan and don't receive them within 30 days, you may file suit in a federal court. In such a case, the court may require the Plan Benefits Administrator to provide the materials and pay you up to \$110 a day until you receive the materials, unless they were not sent because of reasons beyond the control of the Plan Benefits Administrator.

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

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

ASSISTANCE WITH YOUR QUESTIONS

If you have any questions about the plan, contact the Benefits Center or the Plan Benefits Administrator.

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

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

PLAN ADMINISTRATION

PLAN IDENTIFICATION INFORMATION

The plan name, plan sponsor, identification number and plan number are:

Phillips 66 Retirement Plan
 Phillips 66 Company
 c/o Total Rewards Department
 P.O. Box 421959
 Houston, TX 77242-1959
 Employer ID#: 37-1652702
 Plan Number: 001

BENEFITS COMMITTEE (COMMITTEE)

The Benefits Committee is the governing body for the plan. The Benefits Committee members are appointed by the Board of Directors of Phillips 66 Company or its designee. The committee's address and phone number are:

Phillips 66 Company
 c/o Total Rewards Department
 P.O. Box 421959
 Houston, TX 77242-1959
 (832) 765-1877

The committee is responsible for:

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

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

INVESTMENT COMMITTEE

Investment Committee members are appointed by the Board of Directors of Phillips 66 Company or its designee. The committee's address and phone number are:

Phillips 66 Company
 c/o Total Rewards Department
 P.O. Box 421959
 Houston, TX 77242-1959
 (832) 765-1877

The committee is responsible for plan investments.

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

PLAN ADMINISTRATORS

The Phillips 66 Retirement Plan has two administrators — the Plan Benefits Administrator and the Plan Financial Administrator.

Plan Benefits Administrator

The Plan Benefits Administrator is the Manager, Total Rewards, of Phillips 66 Company or his successor(s). The address and telephone number of the Plan Benefits Administrator are:

Phillips 66 Company
 c/o Total Rewards Department
 P.O. Box 421959
 Houston, TX 77242-1959
 (832) 765-1877

The Plan Benefits Administrator is responsible for the duties assigned by the plan, which include:

- Determining benefits eligibility and payment amounts;
- Initial determination of claims for benefits;
- Hiring persons and companies to provide services to the plan;
- Communicating benefit rights to plan participants;
- Keeping records relating to the plan, other than those kept by the Plan Financial Administrator, the trustees and the insurance companies; and
- Delegating powers or duties to other persons and companies as appropriate.
- Preparing and filing government required reports.
- Paying the required Pension Benefit Guarantee Corporation (PBGC) premiums.

Plan Financial Administrator

The Plan Financial Administrator is the Assistant Treasurer, Corporate Finance of Phillips 66 Company or his successor(s). The address and telephone number of the Plan Financial Administrator are:

Phillips 66 Company
 Assistant Treasurer, Corporate Finance
 P.O. Box 421959
 Houston, TX 77242-1959
 (832) 765-1877

The Plan Financial Administrator is responsible for controlling and managing the assets of the plan, and has the following additional duties:

- Managing and controlling the assets of the plan, with terms of the trust, other agreements related to plan assets and any guidelines or procedures established by the Investment Committee.
- Monitoring the plan's funding policy;
- Executing agreements and activities of trustees, investment managers and investment advisors as approved by the Investment Committee
- Requiring the trustee to allow audits and submit reports on its activities;
- Keeping records relating to plan benefits and assets; and
- Delegating powers or duties to other persons and companies as appropriate.

AGENT FOR SERVICE OF LEGAL PROCESS

For disputes arising from the plan, legal process may be served on the General Counsel of Phillips 66 Company. The address is:

S1174-02 Headquarters
1075 W. Sam Houston N., Ste. 200
Houston, TX 77043

Service of legal process may also be made upon the trustees or the Plan Benefit Administrator at the addresses shown for them.

PENSION BENEFIT GUARANTY CORPORATION

Your benefits under the Phillips 66 Retirement Plan are insured by the Pension Benefit Guaranty Corporation (PBGC), a federal insurance agency. If the plan terminates (ends) without enough money to pay all benefits, the PBGC will step in to pay pension benefits. Most people receive all of the pension benefits they would have received under the plan, but some people may lose certain benefits.

The PBGC guarantee generally covers:

- Normal and early retirement benefits;
- Certain disability benefits if you became disabled before the plan terminates; and
- Certain benefits for survivors.

The PBGC guarantee generally does **not** cover:

- Benefits greater than the maximum guaranteed amount set by law for the year in which the plan terminates;
- Some or all of benefit increases and new benefits based on plan provisions that have been in place for fewer than five years at the time the plan terminates;
- Benefits that aren't vested because you have not worked long enough for the company;

- Benefits for which you have not met all of the requirements at the time the plan terminates;
- Certain early retirement payments (such as supplemental benefits that stop when you become eligible for Social Security) that result in an early retirement monthly benefit greater than your monthly benefit at the plan's normal retirement age; and
- Non-pension benefits, such as health insurance, life insurance, certain death benefits, savings plan benefits, vacation pay and severance pay.

Even if certain of your plan benefits aren't guaranteed, you may still receive some of those benefits from the PBGC, depending on how much money the plan has and how much the PBGC collects from employers.

FOR MORE INFORMATION

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

- **By mail:** 1200 K Street N.W., Suite 930, Washington, DC 20005-4026;
- **By phone:**
 - (800) 400-7242 or (202) 326-4000 — *PBGC Customer Contact Center hours are 8:00 a.m. to 7:00 p.m. Eastern time, Monday – Friday (except federal holidays);*
 - TTY/ASCII (American Standard Code for Information Interchange) users, call the federal relay service at (800) 877-8339 and ask to be connected to (800) 400-7242; or
- **Online:** At <http://www.pbgc.gov>.

WHEN THE PLAN CHANGES OR ENDS

Although it's intended that the plan continues indefinitely, the company may amend or terminate the plan at any time.

Subsidiary companies that have adopted the plan have the right to decline amendments with respect to their employees' participation, to end their participation in the plan at any time, and to request a separation of the trust fund. Subsidiary companies that have adopted the plan cease to sponsor the plan automatically if they leave the company.

No amendment or modification of the plan will reduce the benefits you have earned as of the effective date of amendment or modification. If the plan is ever terminated, the benefit you have earned as of the termination date will become vested and will be distributed to you in any manner permitted by the plan. The assets of the plan will be allocated in accordance with the priorities set forth in the plan. By determination of the Plan Benefits Administrator on December 23, 2008, Title VI (when it was a separate plan and prior to its merger into the plan) experienced a partial plan termination, and as a result of such, all participants in Title VI as of January 1, 2006, are fully vested in any benefits accrued as of or after that date regardless of their date of employment termination.

FUNDING BASED RESTRICTIONS ON PLAN BENEFITS

Internal Revenue Code ("Code") section 436, which was added by the Pension Protection Act of 2006, imposes certain benefit restrictions on defined benefit plans (such as the plan) during any period in which its funded status is less than an amount specified in the Code. If this occurs, restrictions will be placed on:

- Accelerated benefit distributions, such as lump-sum distributions. Also, if the company is in Title 11 bankruptcy, similar restrictions would apply unless the plan is fully funded.
- Plan amendments that increase benefits, establish new benefits, or change benefit accruals or vesting.
- Additional benefit accruals.
- Contingent event benefits, such as plant shutdown benefits.

Information regarding the plan's funded status is reported in the annual funding notice provided to participants each year.

ASSIGNMENT OF BENEFITS

Your interest in the plan may not be assigned or alienated. However, payment of benefits under the plan will be made in accordance with a "qualified domestic relations order."

A **qualified domestic relations order (QDRO)** is a judgment, decree or court order (including approval of a property settlement agreement) that:

- Pertains to the provision of child support, alimony payments or marital property rights to a spouse, former spouse, child or other dependent.
- Is made pursuant to a state domestic relations law (including community property laws).
- Meets a series of specific criteria set forth in both ERISA and the Internal Revenue Code.

If the Benefits Center receives a certified court order that awards part of your interest in the plan to another person, you'll be notified and given a copy of the plan's procedures for determining whether the order is a qualified domestic relations order.

A qualified domestic relations order creates rights for a person known as an “alternate payee.” The alternate payee may become entitled to part or all of your benefit under the plan. The order may also grant a former spouse rights normally provided to a surviving spouse under the plan, preventing a later spouse from having full spousal rights. You may request, at any time and without charge, a copy of the plan’s qualified domestic relations order procedures by contacting the Benefits Center.

PAYMENTS TO A MINOR OR LEGALLY INCOMPETENT PERSON

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

IF YOU CANNOT BE LOCATED

If you cannot be located on your mandatory commencement date (the latest date upon which your retirement benefits can start), your benefit is forfeited and used to reduce the cost of the plan to the company. If you’re later located, your benefit will be restored and payment will be made, retroactive to the applicable date. (See *How to begin receiving your benefit* on page 19.)

CONTACTS

Contact the Benefits Center if you have questions about Title VI, the Phillips 66 Retirement Plan or for any other Title VI or Phillips 66 Retirement Plan-related business.

Contact/Address	Phone
Benefits Center P.O. Box 64084 The Woodlands, TX 77387-4084 Web: <ul style="list-style-type: none"> Visit http://hr.phillips66.com to view benefit plan summaries and information Visit UPoint (go to My HR Tools and click on the UPoint tile) (for active employees only), or at digital.alight.com/phillips66 to view pension, retirement planning and personal information. 	(800) 965-4421 or (646) 254-3467 (International) 8:00 a.m. to 6:00 p.m. Central time, Monday – Friday Fax: (847) 554-1784

EFFECT OF PLAN TERMINATION

If the plan is terminated in the future, each participant’s benefit accrued up to the date of termination will be fully vested to the extent funded. Benefits will be paid in accordance with the order of priority set by federal law. If the plan’s assets exceed the amount necessary to pay all benefits required by federal law, any excess will be returned to the company to the extent permitted by applicable law.

By determination of the Plan Benefits Administrator on December 23, 2008, Title VI (when it was a separate plan and prior to its merger into the plan) experienced a partial plan termination, and as a result of such, all participants in Title VI as of January 1, 2006, were fully vested in any benefits accrued as of or after that date regardless of their date of employment termination.

