



PHILLIPS 66 RETIREMENT PLAN

Burlington Resources Inc. Pension Plan —
Cash Balance Participants

This is the summary plan description (“SPD”) for the Burlington Resources, Inc. Pension Plan Cash Balance (“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 Cash Balance 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 historical ConocoPhillips and 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 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 participants in Title VI with a Cash Balance formula benefit. 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 or Title VI apply to them.

Separate SPDs describe the Final Average Earnings 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 “Cash Balance Participants,” that is, participants whose retirement benefit is calculated according to the Title VI Cash Balance benefit formula.

Benefits for “Final Average Earnings (FAE) Participants” (whose retirement benefit is calculated according to the Title VI FAE 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 Cash Balance benefit formula of Title VI. Benefits are based on the balance in your Cash Balance Account. The Cash Balance benefit account is not like a bank account, in which you deposit and accumulate money. It is a nominal (in name only) account, which means that instead of accumulating money, it accumulates credits. When you receive your benefit from your Cash Balance Account, the value of the credits in your account is used to determine the amount of money you will have for your retirement.
- If you were actively employed through December 31, 2008, your Cash Balance Account was credited each calendar quarter with pay credits equal to a percentage of your eligible earnings as well as with interest credits. Beginning with the first calendar quarter of 2009, pay credits ended and your Cash Balance Account is credited each calendar quarter with interest credits only. If you continued to be actively employed with the company on or after January 1, 2009, you began active participation in the Phillips 66 Cash Balance Account, Title II of the Phillips 66 Retirement Plan.
- When you leave employment, you can elect (subject to the written consent of your spouse if you are married) to receive your Cash Balance Account in a lump sum or to convert it into a monthly annuity.
- Your beneficiary will qualify for death benefits if you die while employed by the company or if you terminate employment with the company and you die before beginning to receive Title VI benefits.
- 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 the Phillips 66 Savings Plan and your own personal savings and investments, provides the building blocks needed for retirement.

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

If you were an eligible employee prior to March 31, 2006 and you were not a part-time or temporary employee, you began participation in Title VI on the first day of the month coinciding with or next following your date of hire.

If you were an eligible employee who was a part-time or temporary employee, you began participation in Title VI on 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.

You earned an **hour of service** for each hour you were entitled to be paid by the company or another employer participating in Title VI. This means you earned hours of service for time when you were 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 were not paid on an hourly basis, you were credited with 190 hours of service for each month in which you had 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 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 Military Leave Policy or contact the Benefits Center.

- You were automatically a Cash Balance Participant if you were **first hired** by a participating company on or after January 1, 2003 but prior to March 31, 2006 and satisfied the requirements described on page 4 for Title VI participation.
- You were also a Cash Balance Participant if you were **rehired** by a participating company on or after January 1, 2003 but prior to March 31, 2006 following a Break in Service of at least one year and again became a participant in Title VI.

Note: If you had accrued benefits under the Title VI FAE benefit formula prior to the Break in Service, were rehired and re-entered into participation in Title VI as a Cash Balance Participant, the Title VI Cash Balance benefit formula applied only to service following your rehire. You retained your benefits accrued under the Title VI FAE benefit formula based on your period of credited service and earnings prior to the Break in Service but will accrue no further benefits under the Title VI FAE benefit formula.

CONDITIONS FOR QUALIFYING AS A CASH BALANCE PARTICIPANT

This SPD describes Title VI benefits that apply to “Cash Balance Participants” that is, participants whose retirement benefit is calculated according to the Title VI Cash Balance benefit formula.

You are a Cash Balance Participant **only** if you were a Cash Balance Participant on March 30, 2006 and an eligible employee on March 31, 2006. If you were a Cash Balance Participant on March 31, 2006, you were eligible to continue participation in the Title VI Cash Balance benefit formula. **Any person who was not a participant in the Title VI Cash Balance benefit formula on March 31, 2006 was not eligible to participate in the Title VI Cash Balance benefit formula after March 31, 2006.**

A “**Break in Service**” began on the date you quit, retired, were discharged, or on the first anniversary of your absence from work for any other reason. However, the date of commencement of the Break in Service is delayed for one year if you were absent due to pregnancy, birth or adoption of a child or caring for a child immediately following birth or adoption. A Break in Service ended on the date you again commenced employment.

- You were also a Cash Balance Participant if you had been accruing benefits under the Title VI FAE benefit formula and made an election to participate in the Title VI Cash Balance benefit formula effective as of January 1, 2004.
 - If you made this election, your accrued benefit payable commencing at the Normal Retirement Date under the Title VI FAE benefit formula calculated as of December 31, 2003 was converted into an actuarially equivalent lump-sum amount which became the opening balance of your Cash Balance Account effective as of January 1, 2004.
 - If you did not make this election during the prescribed election period, you remained under the provisions of the Title VI FAE benefit formula. There is a separate SPD describing benefits under the Title VI FAE benefit formula. If you need a copy of this booklet it is available online. See the *Contacts* section.

Note: If you were actively employed on December 31, 2008, your Cash Balance Account was credited each calendar quarter with pay credits equal to a percentage of your eligible earnings as well as with interest credits. Beginning with the first calendar quarter of 2009, pay credits ended and your Cash Balance Account is credited each calendar quarter with interest credits only. If you continued to be actively employed with the company on or after January 1, 2009, you began active participation in the Phillips 66 Cash Balance Account, Title II of the Phillips 66 Retirement Plan.

COST OF THE PHILLIPS 66 RETIREMENT PLAN

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

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 19 of this SPD.

RETIREMENT BENEFITS

CASH BALANCE ACCOUNT

The Cash Balance benefit account is not like a bank account, in which you deposit and accumulate money. It is a nominal (in name only) account, which means that instead of accumulating money, it accumulates credits. When you receive your benefit from your Cash Balance Account, the value of the credits in your account is used to determine the amount of money you will have for your retirement.

Your benefit under the Title VI Cash Balance benefit formula is dependent on the amount credited to your Cash Balance Account and whether you have vested. A Cash Balance Account was established for you when you became a Cash Balance Participant and started with a zero balance.

However, if you were first hired prior to January 1, 2003 and elected during the prescribed election period to participate in the Title VI Cash Balance benefit formula as of January 1, 2004, your Cash Balance Account was established as of January 1, 2004 and had an initial value equal to the actuarial equivalent lump-sum value of your accrued benefit payable commencing at your Normal Retirement Date under the Title VI FAE benefit formula calculated as of December 31, 2003.

Your Cash Balance Account includes two types of credits:

- Pay Credits; and
- Interest Credits.

PAY CREDITS

Through December 31, 2008, Pay Credits were applied to your Cash Balance Account for each calendar quarter in which you were a Cash Balance Participant and were employed by the company. No Pay Credits were applied for calendar quarters after the calendar quarter in which your employment terminated.

NOTE: AS OF JANUARY 1, 2009:

- Pay Credits are no longer provided under the Title VI Cash Balance benefit formula even if you are still actively employed with the company.
- If you were an active employee and a Title VI Cash Balance Participant on January 1, 2009, you began active participation in the Phillips 66 Cash Balance Account, Title II of the Phillips 66 Retirement Plan.

The amount of the Pay Credit for any calendar quarter was determined by multiplying the applicable contribution rate set forth in the table below by your Earnings for that calendar quarter. The applicable contribution rates were as follows:

If Your Years of Employment Were	Your Contribution Rate Was
less than 5	4%
at least 5 but less than 10	5%
at least 10 but less than 15	6%
15 or more	7%

Your Years of Employment for a calendar quarter were determined at the end of the calendar quarter. For example, if you had completed your fifth Year of Employment on May 31, 2004, your Pay Credit for the calendar quarter beginning on April 1, 2004 and ending on June 30, 2004 would have been 5% of your Earnings for the entire calendar quarter (even though you had less than five Years of Employment during a portion of that calendar quarter).

A “Year of Employment” is any 12-month period during which you worked for the company or one of the other participating companies previously listed in this SPD. The 12 months do not need to be consecutive – each completed month counts as 1/12 of a year.

“Earnings” **included** your base earnings, overtime pay, shift differentials, pre-tax employee contributions to the company’s Savings Plan and Flexible Benefits Program, and annual non-deferred cash incentive bonuses (when paid). “Earnings” **excluded** 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. “Earnings” also did not include amounts you elected to receive in cash in lieu of company-sponsored benefits under the company’s Flexible Benefits Program. Any earnings during any year in excess of a legally-required dollar limitation, which was \$230,000 in 2008, were not considered in calculating your “Earnings.”

Example: Suppose you had completed eight Years of Employment as of September 30, 2008 and your Earnings during the calendar quarter from July 1, 2008 through September 30, 2008 were \$12,000. Your Cash Balance Account would have been credited with a Pay Credit of \$600 (5% of \$12,000) for the calendar quarter ending September 30, 2008.

INTEREST CREDITS

Interest Credits are added to your account for each calendar quarter and reflect interest on the balance in your Cash Balance Account as of the end of the prior calendar quarter. The interest rate used in determining the Interest Credits for any calendar quarter is the greater of:

- The effective average annual yield on 10-year Treasury bonds for the month of November of the prior calendar year divided by 4; or
- 2.6% divided by 4.

Example: Suppose your account balance in your Cash Balance Account as of September 30 is \$10,000 and the effective average annual yield on 10-year Treasury bonds for November of the prior year was 2%. Your Interest Credit for the calendar quarter ending on that September 30 would be \$65 (0.65% [$2.6\% \div 4$] of \$10,000). Since this formula uses the “greater of” the two interest rates, the 2.6% divided by 4 rate would apply in this case.

Interest Credits continue to be added to your Cash Balance Account for each calendar quarter until your Cash Balance Account is paid out in a lump sum or is converted into an annuity form of payment. This is true even after your employment terminates. So, if you defer the commencement of benefit payments from Title VI following termination of employment, your account will continue to receive Interest Credits during the deferral period. However, no Interest Credit is credited for any calendar quarter that ends after the date in which benefit payments are made or commence. For example, if you terminate employment on May 10 and elect to receive a lump-sum payment, or to begin receiving annuity payments, as of June 1, you will receive an Interest Credit for the calendar quarter ending March 31 (based on your account balance on December 31), but will not receive an Interest Credit for the calendar quarter ending on June 30 or for any subsequent

calendar quarter. In order to receive an Interest Credit for the calendar quarter ending on June 30 (which would be based on your account balance as of March 31), you would have to delay the benefit commencement date until at least July 1.

YOUR NORMAL RETIREMENT BENEFIT

Your Normal Retirement Date under the plan is the first day of the month coinciding with or next following the later of:

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

If your employment terminates on your Normal Retirement Date

- You will be entitled to elect (subject to the spousal consent rules discussed on page 12) to receive your Cash Balance Account in a lump sum as soon as administratively possible after your Normal Retirement Date.
- **If your Cash Balance Account exceeds \$1,000**, you may elect (subject to the spousal consent rules discussed on page 12) to convert your Cash Balance Account to an actuarially equivalent single life annuity or one of the other actuarially equivalent optional annuity forms of payment described on pages 12 – 13, commencing on your Normal Retirement Date.
 - The normal form of payment for a **single participant** is a single life annuity.
 - The normal form of payment for a **married participant** is a 50% joint and survivor annuity with the spouse as beneficiary. Spousal consent is required to elect any different form of payment other than any available joint and survivor option of at least 50% with the spouse as the named survivor.

- **If your Cash Balance Account is \$1,000 or less,** and you have no other benefit from another title of the Phillips 66 Retirement Plan, distribution will automatically be made in a lump sum as soon as administratively possible after your Normal Retirement Date. No other form of payment will be available.
- Regardless of your account value, you can roll all or part of your plan distribution into another tax-qualified plan or IRA, and postpone paying taxes and avoid early withdrawal penalties. See *Do I pay taxes?* on page 16 for details.

Example: Suppose you retire on your Normal Retirement Date. Assume that the balance in your Cash Balance Account as of your Normal Retirement Date is \$45,000 and that amount is also the lump sum payable on your Normal Retirement Date.

You may elect (subject to the consent of your spouse, if married) to receive a lump-sum distribution of your \$45,000 account balance as soon as administratively possible after your Normal Retirement Date.

Alternatively, you may elect (subject to the consent of your spouse, if married) to convert the \$45,000 lump-sum amount into an actuarially equivalent single life annuity or into one of the other actuarially equivalent optional annuity forms described on pages 12 – 13, commencing as of your Normal Retirement Date.

In the absence of an election, your \$45,000 lump-sum amount would be converted into a 50% joint and survivor annuity with your spouse as beneficiary if you are married, or into a single life annuity if you are single, in each case commencing as of your Normal Retirement Date.

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 Cash Balance Account continued to be credited with Pay Credits and Interest Credits during your period of employment following your Normal Retirement Date, subject to the previously mentioned cessation of Pay Credits after the fourth quarter of 2008. Upon your retirement on a Deferred Retirement Date, your benefits will be determined in the same manner as your Normal Retirement Benefit but substituting your Deferred Retirement Date for your Normal Retirement Date.

VESTED TERMINATION BENEFITS: IF YOU LEAVE BEFORE YOUR NORMAL RETIREMENT DATE

You are fully “vested” in the benefit provided by the Cash Balance 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 your Normal Retirement Date

- You will be entitled to a “vested termination” benefit from the plan.
- **If your Cash Balance Account is greater than \$1,000:**
 - You may elect (subject to the spousal consent rules discussed on page 12) to receive your Cash Balance Account benefit in a lump sum as of the first day of any month following termination of your employment, but no later than your Normal Retirement Date. The lump-sum distribution will be made as soon as possible after the determination date.

- Alternatively, you may elect (subject to the spousal consent rules described on page 12) to convert your Cash Balance Account into an actuarially equivalent single life annuity or one of the other actuarially equivalent optional annuity forms of payment described on pages 12 – 13, commencing as of the first day of any month following termination of your employment, but not later than your Normal Retirement Date.
 - o The normal form of payment for a single participant is a single life annuity.
 - o The normal form of payment for a married participant is a 50% joint and survivor annuity with the spouse as beneficiary, and spousal consent is required to elect any different form of payment other than any available joint and survivor option of at least 50% with the spouse as the named survivor.
- **If your Cash Balance Account is \$1,000 or less,** and you have no other benefit from another title of the Phillips 66 Retirement Plan, distribution will automatically be made in a lump sum as soon as administratively possible after your Normal Retirement Date. No other form of payment will be available.
- **Regardless of your account value,** you can roll all or part of your plan distribution into another tax-qualified plan or IRA, postpone paying taxes and avoid early withdrawal penalties. See *Do I pay taxes?* on page 16 for details.
- Your Cash Balance Account will continue to be credited with Interest Credits (but not Pay Credits) following termination of your employment through the end of the calendar quarter preceding the date in which benefit payments are made or commence.

Example: Suppose you leave employment on June 10 after completing eight years of service. Assume the balance in your Cash Balance Account as of July 1 is \$38,000 and that this amount is also the lump sum payable as of July 1.

You may elect (subject to the consent of your spouse if you are married) to receive a lump-sum distribution of your \$38,000 account balance as soon as possible after July 1.

Alternatively, you may elect (subject to the consent of your spouse, if you are married) to receive a lump-sum distribution of your Cash Balance Account as of the first day of any later month, up to your Normal Retirement Date; in which case, your Cash Balance Account will continue to be credited with Interest Credits (but not Pay Credits) until the end of the calendar quarter preceding the date as of which payment is to be made.

You may instead elect (with spousal consent, if married) to convert your Cash Balance Account into an actuarially equivalent single life annuity or into one of the other actuarially equivalent optional annuity forms described on pages 12 – 13, commencing as of July 1 or as of the first day of any later month, up to your Normal Retirement Date.

In the absence of an election, your Cash Balance Account would be converted into a 50% joint and survivor annuity with your spouse as beneficiary if you are married, or into a single life annuity if you are single, payable in either case as of your Normal Retirement Date.

GRANDFATHERED MINIMUM BENEFITS

If you had an accrued benefit under the Title VI FAE benefit formula that you elected to convert into a Title VI Cash Balance benefit in accordance with the election described on page 6, you will be protected against a reduction in your accrued benefit calculated under the Title VI FAE benefit formula computed as of December 31, 2003 (based on your final average monthly earnings, credited service and monthly Social Security Breakpoint (which was \$2,416.67) on December 31, 2003). In no event shall the benefit that you receive under the Title VI Cash Balance benefit formula be less than the actuarial equivalent of your accrued benefit under the Title VI FAE benefit formula (expressed as a single life annuity commencing on your Normal Retirement Date) calculated as of December 31, 2003. In addition, if you terminate your employment on or after having attained age 55 and completing 10 years of credited service but before attaining your Normal Retirement Date, the benefit you receive under the Title VI Cash Balance formula will in no event be less than the actuarial equivalent of the early retirement benefits that you would have received under the Title VI FAE benefit formula commencing as of your benefit commencement date, but only in respect of your accrued benefit under the Title VI FAE benefit formula as of December 31, 2003.

IF YOU ARE REHIRED

All participants in Title VI with a Cash Balance 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.

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 your vested Cash Balance Account is greater than \$1,000, you may choose to have your normal or deferred retirement benefits or vested termination benefits paid in a number of ways. After benefits begin, however, you may not change the form of payment or the beneficiary designation under any joint and survivor annuity.

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 Cash Balance Account 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 automatic 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 automatic 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 Cash Balance Account 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 the J&S annuity options are actuarially equivalent to the single life annuity.

If you are married when your benefit payments begin, the automatic 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. The participant will need to select another form of payment for benefits accrued after December 31, 2013, if applicable.

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.

The amount of the lump-sum benefit is the greater of:

- A. The amount of your vested Cash Balance Account determined as of the last day of the calendar quarter next preceding the calendar quarter in which the commencement date falls; or
- B. For those who elected to move from the Title VI FAE benefit formula to the Title VI Cash Balance benefit formula with a beginning balance in their Title VI Cash Balance Account, the lump-sum actuarial equivalent of your benefit accrued as of December 31, 2003, under the Title VI FAE benefit formula (expressed as a single life annuity at your Normal Retirement Date) calculated as of the benefit commencement date and under Title VI provisions.

If the total amount credited to your vested Cash Balance Account 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 automatically receive your Cash Balance Account benefit in a single lump-sum payment as soon as administratively possible following your termination.

DEATH BENEFITS

Your beneficiary will be eligible to receive a death benefit from Title VI if you die either:

- While employed by the company; or
- After terminating employment with the company with a right to vested benefits but before benefit payments commence.

The form of benefit depends on whether or not your beneficiary is your spouse.

If your beneficiary is not your spouse, your Cash Balance Account balance (determined as of the last day of the calendar quarter next preceding the calendar quarter in which the distribution date falls) will be paid to your beneficiary in a lump sum as soon as administratively possible following your death.

If your beneficiary is your spouse and the balance in your Cash Balance Account (determined as described above) is \$5,000 or less, your Cash Balance Account will be paid to your spouse in a lump sum as soon as administratively possible following your death.

If your beneficiary is your spouse and the balance in your Cash Balance Account is more than \$5,000, your spouse may choose either:

- To receive a lump-sum payment as soon as administratively possible, which shall be your Cash Balance Account balance; or
- To convert your Cash Balance Account balance to an actuarially equivalent single life annuity for the life of your spouse commencing on the first day of any month after your death up to the month in which you would have attained age 65 if you had lived.

Your **“beneficiary”** is the person or persons you designate on a form filed with the company. However, if you are married, you cannot designate anyone other than your spouse as your beneficiary unless your spouse consents in writing and the consent is notarized. If no beneficiary designation is in effect at the time of your death, your beneficiary will be your spouse if living or, if you have no surviving spouse, your estate. Please access UPoint or contact the Benefits Center to name beneficiaries. See *Contacts* on page 25.

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 Benefits Center will use the last designation on file prior to commencement of the benefit.

If you are **single**, you can name any person or persons, including a trust or estate, as primary beneficiary and contingent beneficiary.

If you are **married**, the following rules apply to beneficiary designations:

- Your spouse is the primary beneficiary, and you may not name any other primary beneficiary.
- You can name contingent beneficiaries who would receive a benefit if your spouse dies before you. Contingent beneficiaries can be any person or persons, trust or estate.
- **If your spouse is your designated beneficiary and your marriage ends before your retirement benefit begins, that designation is void as of the date the marriage ends.** You should update your designation if your marital status changes.

If retirement payments have already begun before the Benefits Center receives a valid beneficiary designation, those payments will not change.

If all 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 day 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.

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's 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're 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's 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 doesn't apply to the amount that's directly rolled over; and
- You will postpone paying taxes on the amount rolled over until it's eventually distributed from the plan receiving the rollover.

There are two ways to do a rollover:

- **With a direct rollover**, 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.
- **With an indirect rollover**, 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 your distribution, you'll need to replace any taxes withheld with money from some other source.
 - You are responsible for following 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 21) 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'll 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 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 15.)

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.

