

June 22, 2018



LUBRICANTS

Dear Phillips 66 Lubricants Marketer,

This letter is to advise you that Phillips 66[®] Lubricants will raise finished lubricants prices up to 9% with an effective date of July 23, 2018. Pricing will be evaluated on a product-by-product basis and individual products may fall outside of the price increase amount. This change is due in part to increasing costs in the production and delivery of our products.

We realize this price increase impacts both you and your customers. The advance notice provided is intended to allow reasonable time for you to communicate, as needed, to your customers. Segment-specific price increases will be provided the week ending July 13, 2018. New customer-specific prices and list prices incorporating this increase will be available for download on Lubestream shortly thereafter.

We expect increased demand prior to the price change. In order to ensure a fair order fulfillment process, we will limit the volume Marketers can purchase to 100% of their monthly base volume that is delivered from **June 22, 2018**, to **July 22, 2018**. Individual base volumes will be based on the average monthly volume purchased during the period of **June 2017** through **May 2018** with some pre-identified products not included in the base volume calculations. Any volume purchased in excess of base volumes will be priced at the price increase amount. If you have any questions about your base volume, please contact your Territory Manager.

In order to fairly meet the needs of all customers, we ask that Marketers place orders consistent with the historical needs of their customers and we reserve the right to limit purchases of any product if deemed to be excessive.

Phillips 66 Lubricants remains committed to providing our customers with high quality products at competitive prices. As always, we thank you for your continued business, support and understanding.

Sincerely,

Mike Krampf
Manager, Finished Lubricants