



LUBRICANTS

January 6, 2021

Dear Phillips 66® Lubricants Marketer,

This letter is to advise you that Phillips 66 Lubricants will raise finished lubricants prices up to 12% with an effective date of February 8, 2021. Pricing will be evaluated on a product-by-product basis and individual products may fall outside of the price increase amount. This increase is being driven by recent increases in raw materials that have occurred despite our best efforts to limit their impact on our product manufacturing.

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 January 22. 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 110% of their monthly base volume from January 7, 2021, to February 7, 2021. Individual base volumes will be based on the average monthly volume purchased during the period of July 1, 2020 through December 31, 2020 with some pre-identified products not included in the base volume calculations. If you have any questions about your base volume, please contact your Account Manager.

Also, in order to fairly meet the needs of all customers, we ask that Marketers place orders consistent with the historical needs of their customers. Phillips 66 Lubricants reserves 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,

A handwritten signature in black ink, appearing to read "Dirk Macfarlane".

Dirk Macfarlane  
Manager, Finished Lubricants