



February 7, 2022

Dear Phillips 66[®] Lubricants Marketer,

This letter is to advise you that Phillips 66 Lubricants will raise finished lubricants prices up to 15% with an effective date of March 7, 2022. 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 material and transportation costs 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 by February 21, 2022. 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. To ensure a fair order fulfillment process, we will limit the volume Marketers can purchase to 100% of their monthly base volume from February 7, 2022 to March 6, 2022. Individual base volumes will be based on the average monthly volume purchased during the period of February 2021 through January 2022 with some pre-identified products not included in the base volume calculations. Please note that we will not provide additional shifts or load slots beyond our normal scheduling and business hours. Since load slots are limited, we encourage Marketers to place orders as soon as possible and keep changes to a minimum. New pricing will apply to all products shipped on or after March 7, 2022. 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,

Dirk Macfarlane
Manager, Finished Lubricants