



Phillips 66 Company

General Terms and Conditions Addendum for the Sale of Renewable Identification Numbers ("RINs") Effective September 9, 2014

These General Terms and Conditions apply to purchases and sales of Biofuels and/or RIN Credits and are incorporated by reference into the Phillips 66 Company Products Purchase/Sale Agreement ("Agreement" or "Purchase/Sale Agreement"):

Definitions

Biodiesel RIN: a RIN that can be used to satisfy the Biomass-Based Diesel obligation defined in 40 CFR 80.1407(a)(2).

Biofuel: Renewable Fuel (in liquid form) as defined in 40 CFR 80.1401.

Buyer: means the party obligated to purchase RINs under the Purchase/Sale Agreement.

Current-year RIN: a RIN that was generated in the same calendar year as the transaction for which the Seller owes RINs to the Buyer.

D-Code: means the number designating the type of renewable fuel with which a given RIN is associated, as described in Section 80.1425(g) of the RFS Program.

EMTS: the EPA Moderated Transaction System referred to in 40 CFR 80.1452.

EPA Company ID: means the identification number issued to an entity under the RFS Program.

Prior-year RIN: a RIN that was generated in the calendar year preceding the year of the transaction for which the Seller owes RINs to the Buyer.

PTD: A Product Transfer Document, as defined in 40 CFR 80.1453, transfers title to the purchased RINs from Seller to Buyer as may be required pursuant to the RFS Program.

RFS Program: means Renewable Fuel Standard Program under the Energy Policy Act of 2005 and the Energy Independence and Security Act of 2007 and implementing regulations, including without limitation, 40 C.F.R. Part 80, Subpart M.

RIN or RIN Credit: a Renewable Identification Number, as defined in 40 CFR 80.1425.

RIN Generation Year: means the calendar year in which a RIN was generated under the RFS Program.

Seller: means the party obligated to sell RINs under the Purchase/Sale Agreement.

Separated (K2) RIN Credit: Renewable fuel credit (identified on paper) as defined in 40 CFR 80.1425.

Compliance with Regulation

The parties agree that they shall each comply with 40 CFR Part 80, Subpart M, and other laws and regulations applicable to transactions involving RIN Credits, as may be amended (the "Regulation" or "Regulations").

EPA Registration

Phillips 66 Company EPA ID: 4528.

For all Biofuel sales, Seller and Buyer both must be registered with and approved by the United States' Environmental Protection Agency ("EPA") to buy and sell Biofuels with RINs, regardless of intent to take ownership thereof.

Transaction Process

Transfer Date: The Transfer Date shall be the date of title transfer. The Seller shall post the transaction in EMTS within five (5) business days of the Transfer Date.

Data Requirements: Seller shall send the PTD and include all information required by the Regulations, and all information reported on the EMTS transaction. The information reported in EMTS must be consistent with the data on the PTD. Upon Buyer's request, Seller agrees to promptly provide commercially reasonable documentation to confirm the validity of the RIN Credits, including, but not limited to, PTDs and Bills of Lading received by Seller, feedstock documentation, and importation documentation as applicable.

For sales to Phillips 66 Company, the PTD, invoice, and all related documents should be sent to rin.credits@p66.com.

Payment: For Separated (K2) RIN Sales, payment is due to Seller three (3) business days after the Transfer Date and when Buyer has received a valid PTD and invoice unless otherwise agreed upon in the confirmation process. For Biofuel sales, payment shall be per the terms on the confirmation.

Biofuel Sales

RIN Volume: For Biofuel sales, Seller shall provide RINs in an amount equal to the volume of Biofuel sold times the equivalence value of the Biofuel, unless otherwise provided in the confirmation.

RIN Type: Seller shall provide RINs consistent with the type of Biofuel being sold.

RIN Vintage: For product lifted during the month of January, Seller may provide Prior-year or Current-year RINs. For product lifted after January 31, Seller shall provide Current-year RINs only, unless otherwise provided in the confirmation.

Volume Discrepancies: Buyer and Seller shall work together in good faith to resolve volume discrepancies, including timely responses to requests for information. Volume discrepancies shall be handled by an immediate transfer of unassigned RINs, if available. If unassigned RINs are not available, agreed upon adjustments shall be made in subsequent transactions, and, if necessary, in subsequent agreements, until

Phillips 66 Company – GTCs Addendum for RINs

Effective: September 9, 2014

This Addendum supersedes and replaces COP GTCs for Biofuels and Renewable Identification Numbers dated 7/1/2010 and the Phillips 66 Company Addendum dated July 14, 2014.

total RINs transferred from Seller to Buyer accurately reflect the total gallons of Biofuel transferred.

Separated (K2) RIN Credit Sales

Approved RIN Generators: For purposes of this paragraph, "Buyer" shall refer to Phillips 66 Company. Unless otherwise agreed in writing, the RINs to be purchased by Buyer must originate from sources on Buyer's list of Approved RIN Generators, as amended from time to time. Buyer's List of Approved RIN Generators may be accessed at <http://www.phillips66.com/EN/products/Documents/Approved-RIN-Generators.pdf>. In the event Buyer determines in good faith that an approved source should be removed from the List of Approved RIN Generators while this Agreement is in effect, Buyer will provide prior written notice to Seller.

Warranties

Buyer warrants that it will use, transfer, retire or allow to expire the purchased RIN Credits in compliance with the Regulations.

Seller warrants that:

- A. The purchased RIN Credits were properly generated and assigned to gallons of Biofuel by EPA-registered renewable fuel production or importation facilities in or for the applicable calendar year;
- B. The purchased RIN Credits were purchased by and transferred to Seller in accordance with the Regulations;
- C. Seller has the right to transfer the purchased RIN Credits pursuant to the Regulations;
- D. Seller has good and marketable title to the purchased RIN Credits transferred hereunder and such purchased RIN Credits are free and clear of any claims, liens, charges, encumbrances, pledges or security interests against Seller; and
- E. The purchased RIN Credits transferred hereunder have not previously been retired or used by an "Obligated Party" or by an exporter of renewable fuel to satisfy its "Renewable Volume Obligation" as those terms are defined in the Regulations.
- F. For sales of separated RIN Credits for which Phillips 66 Company is the Buyer, unless otherwise agreed to in writing, the purchased RIN Credits were originally obtained from sources identified on Phillips 66 Company's List of Approved RIN Generators as of the date of the Confirmation.

Default

In the event that Seller fails or is unable to transfer title to all of the purchased RIN Credits to Buyer or breaches any of Seller's warranties as set forth in the Spot Purchase Agreement, the General Terms & Conditions, or this Addendum (each such purchased RIN Credit not transferred or subject to a breach of warranty hereinafter referred to as a "Defective RIN Credit"), within thirty (30) days of Buyer's discovery of the Defective RIN Credits, Seller shall be required to do the following at Seller's sole cost and expense:

Promptly transfer to Buyer an equal volume of valid RIN Credits of the same D-Code and RIN Generation Year, or RINs as prescribed by EPA to cure a deficit incurred as a result of using the Defective RIN Credits.

In the event Seller is unable to locate any or a sufficient quantity of replacement RIN Credits:

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Reimburse Buyer for all of its costs and expenses incurred in connection with Buyer obtaining a volume of valid RIN Credits within ten (10) business days of receiving Buyer's invoice. Seller's cost reimbursement shall include, without limitation (i) the difference between the cost of the replacement RIN Credits purchased by Buyer and the unit price multiplied by the number of such replacement RIN Credits purchased by Buyer plus (ii) Buyer's expenses including reasonable consultant and attorney's fees incurred in connection with determining the status of the Defective RIN Credits and obtaining such replacement RIN Credits; and/or

In the event Buyer is unable to locate any or a sufficient quantity of replacement RIN Credits:

Reimburse Buyer, within ten (10) business days of Seller's receipt of Buyer's invoice for such RIN Credits, in an amount equal to the unit cost of each Defective RIN Credit which was not replaced plus Buyer's expenses including reasonable consultant and attorneys' fees incurred in connection with determining the status of the Defective RIN Credits and attempting to obtain such replacement RIN Credits.

IN ADDITION TO THE ABOVE, WITH REGARD TO ANY AND ALL POTENTIAL CLAIMS BY THE EPA OR THIRD PARTIES THAT THE RIN CREDITS ARE INVALID OR OTHERWISE DISQUALIFIED FROM USE BY BUYER (CLAIMS), SELLER AGREES TO EITHER (1) DEFEND AND INDEMNIFY BUYER AGAINST ANY AND ALL SUCH CLAIMS OR (2) REIMBURSE BUYER FOR ALL COSTS AND EXPENSES REASONABLY INCURRED RELATED TO SUCH CLAIMS.

Miscellaneous

- A. The Agreement and this Addendum contain the entire agreement between the Parties. No amendment to or modification or waiver of all or any part of this Agreement shall be of any force or effect unless in writing and signed by Buyer and Seller.
- B. If any conflict exists between the terms and conditions of the General Terms and Conditions and those of the underlying Transaction(s) and/or Confirmation(s), the terms and conditions of the Transaction and/or Confirmation shall control. The section headings herein are for convenience only and shall not be interpreted in any way to limit or change the subject matter of the General Terms and Conditions.