

Phillips 66 Company

Addendum for the Purchase and Sale of Benzene Credits Effective August 1, 2014

This Addendum (“Addendum”) applies to purchases and sales of Benzene Credits and is incorporated by reference into the Phillips 66 Company Products Purchase/Sale Agreement General Terms and Conditions (“Products GTC’s”). In the event of a conflict between these terms and the Products GTC’s, these terms shall govern.

Definitions

Benzene Credits: credits generated in accordance with 40 CFR § 80.1290 of the Gasoline Benzene Regulation.

Benzene Credit Transfer Report: this report (“MSAT2 Credit Transfer Report”) is used to document transactions of credits between Buyer and Seller during a given averaging year. As specified in 40 CFR § 80.1295, a single transaction may be of only one credit type for a single creation year.

Benzene Reporting Requirement: those EPA annual reports that contain the information as required under 40 CFR § 80.1354, and such other information as the EPA may require.

Buyer: the party obligated to purchase Benzene Credits.

Creation Year: the year the original Benzene Credits were generated.

Data Requirements: The PTD shall include all information required by the Regulations. Seller shall respond promptly and in good faith if Buyer requests additional data related to the transaction.

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

Facility ID: the EPA Facility registration ID of the Facility.

Gasoline Benzene Regulation: 40 CFR Part 80, Subpart L (Gasoline Benzene) (the “Gasoline Benzene Regulation”), beginning January 1, 2011, Buyer is required to produce gasoline meeting annual average benzene standards as detailed in 40 CFR § 80.1230 (a).

Seller: the party obligated to sell Benzene Credits.

Transaction Date: The Seller's invoice date shall be used.

Compliance with Regulation

- A. The parties agree that they shall each comply with 40 CFR Part 80, Subpart L, as applicable, and other laws and regulations applicable to transactions involving Benzene Credits, as may be amended (the "Regulation" or "Regulations").
- B. Buyer and Seller agree to report the transfer of the purchased Benzene Credits to the EPA in accordance with the reporting requirements as required under 40 CFR § 80.1354, and such other information as the EPA may require.

EPA Registration

Phillips 66 - EPA Company ID: 4528.

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

Price

- A. Buyer agrees to pay Seller the total purchase price of US\$ (the "Purchase Price"), which is the product of the total quantity of purchased Benzene Credits as specified in the Confirmation and the respective price for each such purchased Benzene Credit.
- B. Seller shall send an invoice for the purchased Benzene Credits to Buyer within five (5) days of the final execution of the Transaction for the purchase and sale of the Benzene Credits and the receipt of a validation report, whichever is later. The Purchase Price shall be payable by wire transfer pursuant to the instructions included on the Seller's invoice within five (5) business days after the later of (i) the execution of the Transaction, or (ii) the date of receipt of Seller's invoice, or (iii) the receipt of an acceptable validation report, whichever is latest (the "Payment Date")
- C. If Buyer fails to pay Seller the Purchase Price on or before the Payment Date, Seller shall have the right to immediately terminate the applicable Transaction.
- D. Buyer shall, in addition to the Purchase Price, pay any sales, use, transfer or other taxes, duties, imposts, or other charges imposed by any governmental or regulatory authority or agency (including federal, state, municipal, or local) in connection with the sale of the purchased Benzene Credits to Buyer (excluding any taxes on the income of Seller or in any way related to the generation and not the sale of the Benzene Credits), if any.

Title Transfer

Subject to Seller's receipt of payment for the purchased Benzene Credits and the receipt of an acceptable report from the Validating Company, Seller shall transfer the purchased Benzene Credits to Buyer, and Buyer shall accept legal and equitable title to the purchased Benzene Credits free and clear of any liens and encumbrances, effective as of the Effective Date, and Buyer shall thereafter retain such title, right and interest in and to the purchased Benzene Credits.

Documentation

- A. If requested by Buyer, Seller shall provide to Buyer the following documentation:
- a draft or final copy of Seller's EPA annual report for the calendar year in which the transfer occurs, as redacted by Seller to protect from disclosure information not essential to this transaction, to ensure both Parties are accurate and consistent in their EPA reporting, prior to this report being submitted by each Party to the EPA in accordance with the Regulation, which copy shall be provided within fifteen (15) days prior to the applicable EPA reporting deadline for said report. If a draft copy is provided, provide a final copy by the last day of the quarter in which the transfer occurs.
- B. If requested by Seller, Buyer shall provide to Seller the following documentation:
- a draft or final copy of Buyer's EPA annual report for calendar year in which the transfer occurs, as redacted by Buyer to protect from disclosure information not essential to this transaction, to ensure both Parties are accurate and consistent in their EPA reporting, prior to this report being submitted by each Party to the EPA in accordance with the Regulation, which copy shall be provided within fifteen (15) days prior to the applicable EPA reporting deadline for said report. If a draft copy is provided, provide final copy by the last day of the quarter in which the transfer occurs.
- C. The Parties shall agree to retain a third party consultant with expertise in the Regulation ("Validating Company"), to establish the validity of the documentation provided by Seller pursuant to Section D, below, the cost of which shall be shared equally by the Parties. The Parties agree that Validating Company will be required to treat any information provided by Seller or Buyer hereunder as confidential in accordance with the terms of this Addendum, except as expressly permitted hereunder not to disclose such material to any third party.
- D. Within fifteen (15) days after entering into the applicable Transaction, Seller shall provide Validating Company certain documentation that shall be sufficient to establish that: (i) Seller generated sufficient Benzene Credits in accordance with the Regulation, including without limitation pursuant to 40 CFR § 80.1290, to satisfy its obligations hereunder; and (ii) such Benzene Credits have not been previously transferred to or from any other refiner or importer in accordance with the Gasoline Benzene Regulation. The Validating Company shall provide a report to the Parties of its findings within five (5) business days of the date of Validating Company's receipt of all of Seller's documentation.
- E. In the event that the Validating Company does not meet any of its deadlines set forth in this Addendum, then the Parties agree to work together with a view towards having Validating Company meet its obligations as expeditiously as possible; provided, however, that if the Validating Company still does not meet its obligations within 15 days after its receipt of Seller's documentation, the Parties agree to meet in good faith to reach a mutually agreeable alternative that accomplishes the same intent.
- F. Each Party represents that it has entered into a written confidentiality agreement with the Validating Company under which the Validating Company agrees to treat the information provided by each Party as confidential, and not to disclose such material to any third party or to

the other Party or has otherwise advised Validating Company of the obligations of confidentiality. Such agreements provide that the Validating Company will not use the information provided by the Parties under this section for any other purpose than providing the report to the Parties as required under this Addendum.

- G. The Parties agree that the above-referenced documents to be provided to Buyer and to Seller constitute and shall be deemed Confidential Information, and shall be afforded confidential treatment. Notwithstanding the foregoing, the Parties acknowledge and agree that certain of the reports referenced herein are provided to the EPA, and that the providing of such reports to the EPA shall not be considered to be a violation of this Addendum. In addition, the Parties agree not to use any of the Confidential Information except to evaluate and confirm the Parties' fulfillment of their respective obligations under this Addendum, and further agree not to use this Confidential Information for any other purpose.

Delivery Failures

- A. In the event that Seller fails or is unable to transfer title to the purchased Benzene Credits to Buyer or breaches any of the warranties contained herein (each such Benzene Credit not transferred or subject to a breach of warranty is hereinafter referred to as a "Defective Benzene Credit"), Seller shall be required to do one or more of the following, each at Seller's option and sole cost and expense:
- i) transfer to Buyer a quantity of valid Benzene Credits generated in the same calendar year as the Defective Benzene Credits from Seller's bank of Benzene Credits equal to the quantity of the Defective Benzene Credits (less the quantity of any valid Benzene Credits obtained hereunder within thirty (30) days of either Parties' discovery of the Defective Benzene Credits;
 - ii) arrange for the transfer of a quantity of valid Benzene Credits (as confirmed by Validating Company) generated in the same calendar year as the Defective Benzene Credits, from one or more third parties equal to the quantity of the Defective Benzene Credits (less the quantity of any valid Benzene Credits obtained hereunder, directly from the third party(ies) who generated such Benzene Credits, to Buyer within thirty (30) days of either Parties' discovery of the Defective Benzene Credits.
- B. In the event the provisions of option (A) (ii) are implemented, the price of the replacement Benzene Credits that shall be shown on Buyer's EPA reports shall be the Purchase Price, as defined under the Price section, above. The Seller shall exercise commercially reasonable efforts to cause the transferring third party(ies) to provide to Buyer substantially similar representations and warranties, covenants and indemnification provided by Seller hereunder with respect to the transfer of such Benzene Credits effective as of the date of such transfer to Buyer.
- C. In the event that the provisions of this section are invoked, the Parties agree to work together in good faith to pursue the most efficient and practical of the foregoing options (or any combination thereof) in order to cure any default with respect any Defective Benzene Credits, provided, however, the type of any replacement Benzene Credits and the date of their transfer directly to

Buyer pursuant to this section must be reasonably acceptable to Buyer and Seller prior to any such transfer.

- D. In the event the Parties are unable to cure any Defective Benzene Credits pursuant to this section, Seller shall be deemed in default and shall indemnify Buyer in accordance with the terms of this Addendum. For clarity and avoidance of doubt, a default will be deemed to exist if any Defective Benzene Credits are not cured within 45 calendar days following the discovery that the Benzene Credits are Defective.

Warranties

BUYER warrants that it will use and/or transfer or allow to expire the purchased Benzene Credits in compliance with the Gasoline Benzene Regulation and all other applicable laws and regulations.

SELLER represents and warrants that to the best of Seller's knowledge as of the Effective Date:

- A. The purchased Benzene Credits were properly generated, banked, as applicable, under the requirements of the Gasoline Benzene Regulation, and Seller has the right to transfer such purchased Benzene Credits pursuant to the Gasoline Benzene Regulation; and
- B. Seller has good and marketable title to the purchased Benzene Credits sold hereunder, and such purchased Benzene Credits pursuant to the Gasoline Benzene Regulation; and
- C. The purchased Benzene Credits have not been previously transferred to or from Seller to any other party; and
- D. Seller has applied any Benzene Credits necessary to meet its own annual compliance requirements, including any deficit carried forward, pursuant to 40 CFR.