

PHILLIPS 66

HUMAN RESOURCES AND COMPENSATION COMMITTEE CHARTER

Purpose

The Human Resources and Compensation Committee (the “Committee”) is appointed by the Board of Directors (the “Board”) of Phillips 66 (the “Company”) to (1) oversee and administer the Company’s executive compensation policies, plans and practices, (2) assist the Board in discharging its responsibilities relating to the fair and competitive compensation of the executives and other key employees of the Company, and (3) issue an annual report on executive compensation for inclusion in the Company’s proxy statement. The Committee also provides oversight to achieve alignment with other key people-related business strategies. Nothing in this Charter shall be deemed to amend the provisions of the By-Laws with respect to this Committee or other committees of the Board absent a separate resolution of the Board expressly amending the By-Laws.

Authority and Responsibilities

1. *Charter and Membership.* The Committee shall annually review and reassess the adequacy of this Charter and recommend any proposed changes to the full Board for approval. The Committee also shall assess the composition of the Committee annually and recommend any proposed changes to the Nominating and Governance Committee for consideration and recommendation to the full Board for approval.
2. *CEO and Senior Officer Compensation.* The Committee shall review and determine the base salaries and all other elements of compensation for the Chairman of the Board and the Chief Executive Officer (the “CEO”), and the base salaries and all other elements of compensation for (1) all officers of the Company who report directly to the CEO, and (2) all other officers of the Company who are a Senior Vice President and above, or who are reporting officers under Section 16 of the Securities Exchange Act of 1934 (collectively, the employees identified in clauses (1) and (2) are referred to as the “Senior Officers”). In determining CEO and Senior Officer compensation, the Committee will consider, among other things, the Company’s performance and relative shareholder return, individual performance, the value of similar incentive awards to individuals holding similar positions at comparable companies, and the awards given to the CEO and the Senior Officers in past years, as well as the relationship between compensation and the Company’s risk management objectives.

The “other elements of compensation” referred to above include each of the following:

- (a) annual and long-term incentive compensation;
- (b) grants and awards under the Company’s incentive compensation and equity-based compensation plans;
- (c) special compensation awards; and

- (d) special or supplemental benefits, fringe benefits, perquisites, expense reimbursement arrangements, and other similar arrangements (whether business or personal in nature) applicable primarily to the CEO, Senior Officers, and senior management of the Company and its subsidiaries.

Except as specifically provided in this Charter, the “other elements of compensation” referred to above shall not include compensation and benefits under non-executive plans and programs generally applicable to the employees of the Company and its subsidiaries, unless such plans and programs provide special benefits and compensation to the CEO and Senior Officers that are not available to employees generally.

3. *Establish and Review Performance.* The Committee shall annually review and establish annual or other periodic performance goals and objectives relevant to the compensation of the CEO and Senior Officers, and evaluate whether those goals and objectives have been achieved for purposes of determining the performance-based compensation. Annual and other periodic performance goals and objectives established by the Committee shall be consistent with corporate objectives on business strategy, leadership and other corporate matters established by the Board. The Committee shall meet annually with the Lead Director (or the Chairman of the Board, if there is no Lead Director and such Chairman is not the CEO) with respect to the evaluation of the CEO, and the Chairperson of the Committee shall meet with the CEO to discuss such evaluation.
4. *Equity Awards.* The Committee shall have the authority to authorize the issuance of the Company’s common stock pursuant to the provisions of the Company’s executive and non-executive compensation and benefits plans. The Committee shall review and determine the awards for all employees eligible to participate in the Stock Option Program, the Performance Share Program, and similar compensation plans and programs involving equity of the Company, except to the extent the Board delegates responsibility for the review and determination of awards for employees other than the Senior Officers to the Special Equity Award Committee of the Board.
5. *Succession Planning.* The Committee shall oversee the Company’s talent management program to ensure a diverse talent pool is developed with respect to succession planning for the CEO and Senior Officers. This includes the development of a succession management plan for the Senior Officers, which shall be reported to the Board annually.
6. *External Reporting Requirements.* The Committee shall:
 - (a) review and discuss with management the proposed Compensation Discussion and Analysis (“CD&A”) required to be included in the Company’s proxy statement and annual report on Form 10-K by the rules and regulations of the Securities and Exchange Commission (the “SEC”) and based on such review and discussion, recommend to the Board whether the proposed CD&A should be so included,
 - (c) issue a Compensation Committee Report meeting the requirements of the rules and regulations promulgated by the SEC for inclusion in the Company’s proxy statement, and

(d) oversee the Company's compliance with SEC rules and regulations regarding shareholder approval of certain executive compensation matters, including advisory votes on executive compensation and the frequency of such votes, and the requirement under NYSE rules that, with limited exceptions, shareholders approve equity compensation plans.

7. *Stock Ownership Guidelines.* The Committee shall review and recommend to the Board Company stock ownership guidelines for the CEO and Senior Officers.
8. *Employment Agreements, Severance Arrangements, & Change in Control.* The Committee shall review and make recommendations to the Board regarding CEO employment agreements, severance arrangements, and change in control agreements, to the extent that benefits under such agreements or arrangements are not generally applicable to employees of the Company or its subsidiaries.

The Committee shall have sole responsibility for reviewing and determining Senior Officer employment agreements, severance arrangements, and change in control agreements, to the extent that benefits under such agreements or arrangements are not generally applicable to employees of the Company or its subsidiaries.

9. *Internal Assistance Provided.* The Committee shall be assisted by the Company's human resources, legal, finance and other appropriate corporate staffs.
10. *External Assistance Provided and Paid by the Company.* The Committee may obtain assistance from such other persons, who need not be employees of the Company, or organizations as it may deem appropriate, with the expenses incurred in their use to be paid by the Company. The foregoing authority includes the authority to retain, terminate and obtain advice and assistance from external legal, accounting or other advisors and consultants.

The Committee shall have the sole authority to retain and terminate any independent external compensation consultant to be used to assist in the evaluation of the compensation of the CEO and Senior Officers, and shall have sole authority to approve the independent consultant's fees and other retention terms. In connection with retaining an independent consultant, the Committee shall take into consideration all factors relevant to the advisor's independence from management, including those specified in Section 303A.05(c) of the NYSE Listed Company Manual.

11. *Other Responsibilities as Delegated.* The Committee shall perform such duties as may, from time to time, be delegated to the Committee by the Board or under the compensation and benefit plans of the Company or its subsidiaries and affiliates.
12. *Delegation Authority.* The Committee may appoint and delegate authority to subcommittees or other committees, as it deems appropriate.
13. *Reports to the Board.* The Committee shall make regular reports to the Board, and all actions of the Committee shall be reported to the Board at the next regular meeting of the Board.

14. *Committee Performance Assessment.* The Committee shall annually review its own performance and report such evaluation to the Board.

Membership

The Committee shall consist of three or more members appointed by the Board on the recommendation of the Nominating and Governance Committee who may be removed by the Board at any time. The Committee shall comply with the independence requirements of the New York Stock Exchange. In addition, all members of the Committee shall meet the definitions of (a) a “non-employee director” within the meaning of Rule 16b-3 promulgated under the Securities Exchange Act of 1934, and (b) an “outside director” within the meaning of Section 162(m) of the Internal Revenue Code of 1986, as amended.

Meetings

Except as otherwise required by the By-Laws or the Certificate of Incorporation of the Company, a majority of the members of the Committee shall constitute a quorum for the transaction of business and the act of a majority of the members present at any meeting at which there is a quorum shall be the act of the Committee.

The Chairperson of the Committee shall be responsible for scheduling all meetings of the Committee and providing the Committee with a written agenda for each meeting. The Chairperson shall preside at the meetings of the Committee. In the absence of the Chairperson, the majority of the members of the Committee present at a meeting shall appoint a member to preside at the meeting.

The Committee shall have an executive session at each meeting without management representatives present.

The Secretary or an Assistant Secretary of the Company shall keep the minutes of the Committee, which shall be made available to any Board member upon request.

The Committee may adopt such other rules and regulations for calling and holding its meetings and for the transaction of business at such meetings as is necessary or desirable and not inconsistent with the provisions of the By-Laws or this Charter.

Effective as amended May 8, 2018