PROXY PAPER

PHILLIPS 66

GLASS LEWIS

NYSE: **PSX**

ISIN: **US7185461040**

MEETING DATE: 21 MAY 2025
RECORD DATE: 04 APRIL 2025
PUBLISH DATE: 09 MAY 2025

COMPANY DESCRIPTION

Phillips 66 operates as an energy manufacturing and logistics company in the United States, the United Kingdom, Germany, and internationally. It operates through four segments: Midstream, Chemicals, Refining, and Marketing and Specialties (M&S).

INDEX MEMBERSHIP: RUSSELL 3000; RUSSELL 1000; S&P 500; RUSSELL TOP 200
SECTOR: ENERGY
INDUSTRY: OIL, GAS AND CONSUMABLE FUELS
COUNTRY OF TRADE: UNITED STATES
COUNTRY OF INCORPORATION: UNITED STATES
HEADQUARTERS: TEXAS
VOTING IMPEDIMENT: NONE

2025 CONTESTED MEETING MANAGEMENT (WHITE) PROXY CARD

PROPOSAL	ISSUE	BOARD	GLASS LEWIS	CONCERNS
1.00	Election of Directors	SPLIT	**DO NOT VOTE**	• **Recommendation on Dissident Card**
1.01	Elect Management Nominee A. Nigel Hearne	FOR	**DO NOT VOTE**	• **Recommendation on Dissident Card**
1.02	Elect Management Nominee John E. Lowe	FOR	**DO NOT VOTE**	• **Recommendation on Dissident Card**
1.03	Elect Management Nominee Robert W. Pease	FOR	**DO NOT VOTE**	• **Recommendation on Dissident Card**
1.04	Elect Management Nominee Howard I. Ungerleider	FOR	**DO NOT VOTE**	• **Recommendation on Dissident Card**
1.05	Elect Dissident Nominee Brian Coffman	WITHHOLD	**DO NOT VOTE**	• **Recommendation on Dissident Card**
1.06	Elect Dissident Nominee Sigmund Cornelius	WITHHOLD	**DO NOT VOTE**	• **Recommendation on Dissident Card**
1.07	Elect Dissident Nominee Michael Heim	WITHHOLD	**DO NOT VOTE**	• **Recommendation on Dissident Card**
1.08	Elect Dissident Nominee Stacy Nieuwoudt	WITHHOLD	**DO NOT VOTE**	• **Recommendation on Dissident Card**
2.00	Repeal of Classified Board	FOR	**DO NOT VOTE**	• **Recommendation on Dissident Card**
3.00	Advisory Vote on Executive Compensation	FOR	**DO NOT VOTE**	• **Recommendation on Dissident Card**

4.00	Frequency of Advisory Vote on Executive Compensation	1 YEAR	**DO NOT VOTE**	• **Recommendation on Dissident Card**
5.00	Ratification of Auditor	FOR	**DO NOT VOTE**	• **Recommendation on Dissident Card**
6.00	Shareholder Proposal Regarding Annual Director Elections	AGAINST	**DO NOT VOTE**	• **Recommendation on Dissident Card**

2025 CONTESTED MEETING DISSIDENT (GOLD) PROXY CARD

PROPOSAL	ISSUE	BOARD	GLASS LEWIS	CONCERNS
1.00	Election of Directors	DO NOT VOTE	**SPLIT**	• **Change warranted**
1.01	Elect Dissident Nominee Brian Coffman	DO NOT VOTE	**FOR**	• **Relevant experience and expertise**
1.02	Elect Dissident Nominee Sigmund Cornelius	DO NOT VOTE	**FOR**	• **Relevant experience and expertise**
1.03	Elect Dissident Nominee Michael Heim	DO NOT VOTE	**FOR**	• **Relevant experience and expertise**
1.04	Elect Dissident Nominee Stacy Nieuwoudt	DO NOT VOTE	**WITHHOLD**	• **Nomination not warranted**
1.05	Elect Management Nominee A. Nigel Hearne	DO NOT VOTE	**FOR**	
1.06	Elect Management Nominee John Lowe	DO NOT VOTE	**WITHHOLD**	• **Lengthy board tenure; Endorsed status quo**
1.07	Elect Management Nominee Robert Pease	DO NOT VOTE	**WITHHOLD**	• **Governance concerns; Endorsed status quo**
1.08	Elect Management Nominee Howard Ungerleider	DO NOT VOTE	**WITHHOLD**	• **Questionably relevant experience and expertise**
2.00	Repeal of Classified Board	DO NOT VOTE	**FOR**	
3.00	Advisory Vote on Executive Compensation	DO NOT VOTE	**FOR**	
4.00	Frequency of Advisory Vote on Executive Compensation	DO NOT VOTE	**1 YEAR**	• **Annual advisory is in the best interests of shareholders.**
5.00	Ratification of Auditor	DO NOT VOTE	**FOR**	
6.00	Shareholder Proposal Regarding Annual Director Elections	DO NOT VOTE	**FOR**	• **The annual election of directors provides maximum accountability of directors to shareholders**

POTENTIAL CONFLICTS

As of October 2021, U.S. and Canadian companies are eligible to purchase and receive Equity Plan Advisory services from Glass Lewis Corporate, LLC ("GLC"), a Glass Lewis affiliated company. More information, including whether the company that is the subject of this report used GLC's services with respect to any equity plan discussed in this report, is available to Glass Lewis' institutional clients on Viewpoint or by contacting compliance@glasslewis.com. Glass Lewis maintains a strict separation between GLC and its research analysts. GLC and its personnel did not participate in any way in the preparation of this report.

ENGAGEMENT ACTIVITIES

Glass Lewis held the following engagement meetings within the past year:

ENGAGED WITH	MEETING DATE	ORGANIZER	TYPE OF MEETING	TOPICS DISCUSSED
Issuer	06 February 2025	Issuer	Teleconference/Web-Meeting	Board Composition and Performance,Executive Pay,Climate Change and Greenhouse Gas (GHG) Emissions
Dissident	29 April 2025	Investor	Teleconference/Web-Meeting	Proxy Contest
Issuer	02 May 2025	Proxy Solicitor	Teleconference/Web-Meeting	Proxy Contest

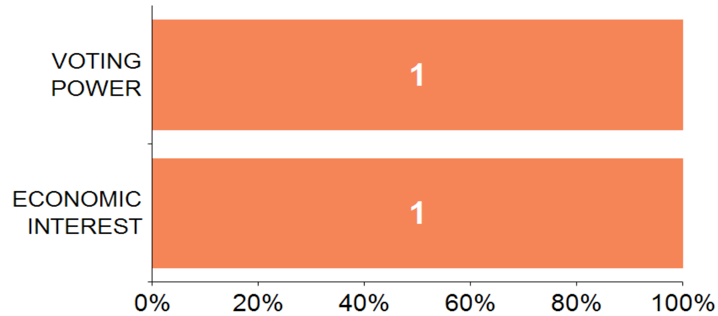
For further information regarding our engagement policy, please visit http://www.glasslewis.com/engagement-policy/.

SHARE OWNERSHIP PROFILE

SHARE BREAKDOWN

	1
SHARE CLASS	Common Stock
SHARES OUTSTANDING	407.6 M
VOTES PER SHARE	1
INSIDE OWNERSHIP	0.30%
STRATEGIC OWNERS**	0.40%
FREE FLOAT	99.60%

SOURCE CAPITAL IQ AND GLASS LEWIS. AS OF 07-MAY-2025



TOP 20 SHAREHOLDERS

	HOLDER	OWNED*	COUNTRY	INVESTOR TYPE
1.	The Vanguard Group, Inc.	10.01%	United States	Traditional Investment Manager
2.	BlackRock, Inc.	7.33%	United States	Traditional Investment Manager
3.	State Street Global Advisors, Inc.	6.51%	United States	Traditional Investment Manager
4.	Wells Fargo & Company, Securities and Brokerage Investments	3.90%	United States	Bank/Investment Bank
5.	Harris Associates L.P.	2.87%	United States	Traditional Investment Manager
6.	UBS Asset Management AG	2.85%	Switzerland	Traditional Investment Manager
7.	Geode Capital Management, LLC	2.09%	United States	Traditional Investment Manager
8.	BNY Asset Management	1.64%	United States	Traditional Investment Manager
9.	Barclays PLC Private Banking & Investment Banking Investment	1.58%	United Kingdom	Bank/Investment Bank
10.	T. Rowe Price Group, Inc.	1.48%	United States	Traditional Investment Manager
11.	Northern Trust Global Investments	1.13%	United Kingdom	Traditional Investment Manager
12.	Norges Bank Investment Management	1.07%	Norway	Sovereign Wealth Fund
13.	Dimensional Fund Advisors LP	0.98%	United States	Traditional Investment Manager
14.	Amundi Asset Management SAS	0.93%	France	Traditional Investment Manager
15.	Morgan Stanley, Investment Banking and Brokerage Investments	0.92%	United Kingdom	Bank/Investment Bank
16.	Invesco Capital Management LLC	0.81%	United States	Traditional Investment Manager
17.	Charles Schwab Investment Management, Inc.	0.74%	United States	Traditional Investment Manager
18.	Eaton Vance Management	0.70%	United States	Traditional Investment Manager
19.	Boston Partners Global Investors, Inc.	0.63%	United States	Traditional Investment Manager
20.	Deutsche Asset & Wealth Management	0.61%	United States	Traditional Investment Manager

**COMMON STOCK EQUIVALENTS (AGGREGATE ECONOMIC INTEREST) SOURCE: CAPITAL IQ. AS OF 07-MAY-2025*
***CAPITAL IQ DEFINES STRATEGIC SHAREHOLDER AS A PUBLIC OR PRIVATE CORPORATION, INDIVIDUAL/INSIDER, COMPANY CONTROLLED FOUNDATION, ESOP OR STATE OWNED SHARES OR ANY HEDGE FUND MANAGERS, VC/PE FIRMS OR SOVEREIGN WEALTH FUNDS WITH A STAKE GREATER THAN 5%.*

SHAREHOLDER RIGHTS

	MARKET THRESHOLD	COMPANY THRESHOLD[1]
VOTING POWER REQUIRED TO CALL A SPECIAL MEETING	N/A	N/A
VOTING POWER REQUIRED TO ADD AGENDA ITEM	$2,000[2]	$2,000[2]
VOTING POWER REQUIRED TO APPROVE A WRITTEN CONSENT	N/A	N/A

[1]N/A INDICATES THAT THE COMPANY DOES NOT PROVIDE THE CORRESPONDING SHAREHOLDER RIGHT.
[2]UNLESS GRANDFATHERED, SHAREHOLDERS MUST OWN SHARES WITH MARKET VALUE OF AT LEAST $2,000 FOR THREE YEARS. ALTERNATIVELY, SHAREHOLDERS MUST OWN SHARES WITH MARKET VALUE OF AT LEAST $15,000 FOR TWO YEARS; OR SHARES WITH MARKET VALUE OF $25,000 FOR AT LEAST ONE YEAR.

COMPANY PROFILE

FINANCIALS

	1 YR TSR	3 YR TSR AVG.	5 YR TSR AVG.
PSX	*-11.6%*	*20.7%*	*4.8%*
S&P 500	*25.0%*	*8.9%*	*14.5%*
Peers*	*8.3%*	*20.7%*	*13.3%*

Market Capitalization (MM $)	47,052
Enterprise Value (MM $)	67,786
Revenues (MM $)	143,153

*ANNUALIZED SHAREHOLDER RETURNS. *PEERS ARE BASED ON THE INDUSTRY SEGMENTATION OF THE GLOBAL INDUSTRIAL CLASSIFICATION SYSTEM (GICS). FIGURES AS OF 31-DEC-2024. SOURCE: CAPITAL IQ*

EXECUTIVE COMPENSATION

Total CEO Compensation $22,586,946

1-Year Change in CEO Pay	*16%*	**CEO to Median Employee Pay Ratio**	*132:1*
Say on Pay Frequency	*1 Year*	**Compensation Grade 2024**	*D*
Glass Lewis Structure Rating	*Fair*	**Glass Lewis Disclosure Rating**	*Fair*
Single Trigger CIC Vesting	*No*	**Excise Tax Gross-Ups**	*No*
NEO Ownership Guidelines	*Yes*	**Overhang of Incentive Plans**	*4.68%*

CORPORATE GOVERNANCE

Election Method	*Plurality*	**CEO Start Date**	*July 2022*
Controlled Company	*No*	**Proxy Access**	*Yes*
Multi-Class Voting	*No*	**Virtual-Only Meeting**	*Yes*
Staggered Board	*Yes*	**Average NED Tenure**	*5 years*
Combined Chair/CEO	*Yes*	**Gender Diversity on Board**	*35.7%*
Individual Director Skills Matrix Disclosed	*Yes*	**Company-Reported Racial/Ethnic Diversity on Board**	*14.3%*
Supermajority* to Amend Bylaws and/or Charter	*Yes*	**Age-Based Director Retirement Policy/Guideline**	*No; N/A*
Numerical Director Commitments Policy	*Yes*		

**Supermajority defined as at least two-thirds of shares outstanding*

ANTI-TAKEOVER

Poison Pill	*No*
Approved by Shareholders/Expiration Date	*N/A; N/A*

AUDITORS

Auditor: ERNST & YOUNG — **Tenure:** 14 Years

Material Weakness(es) Outstanding	*No*
Restatement(s) in Past 12 Months	*No*

SASB MATERIALITY

Primary SASB Industry: Oil & Gas - Refining & Marketing

Financially Material Topics:

- *Greenhouse Gas Emissions*
- *Water Management*
- *Workforce Health & Safety*
- *Pricing Integrity & Transparency*
- *Critical Incident Risk Management*
- *Air Quality*
- *Hazardous Materials Management*
- *Product Specifications & Clean Fuel Blends*
- *Management of the Legal & Regulatory Environment*

Company Reports to SASB/Extent of Disclosure: Yes; Most Topics - Partial Metrics

CURRENT AS OF MAY 09, 2025

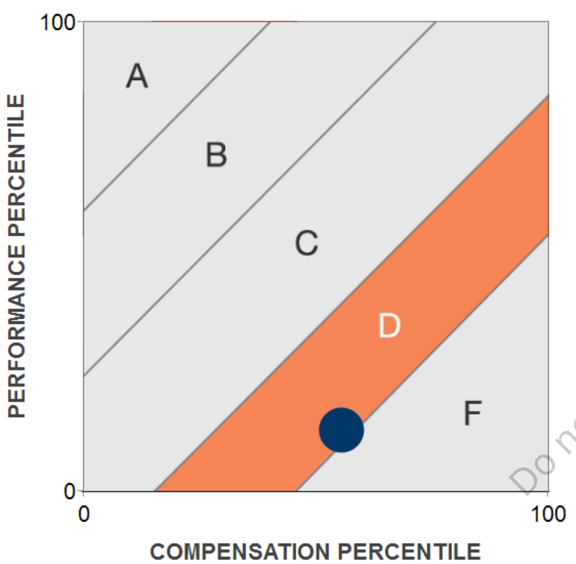
PAY-FOR-PERFORMANCE

Phillips 66's executive compensation received a **D** grade in our proprietary pay-for-performance model. The Company paid more compensation to its named executive officers than the median compensation for a group of companies selected based on Glass Lewis' peer group methodology and company data.The CEO was paid about the same as the median CEO compensation of these peer companies. Overall, the Company paid moderately more than its peers, but performed worse than its peers.

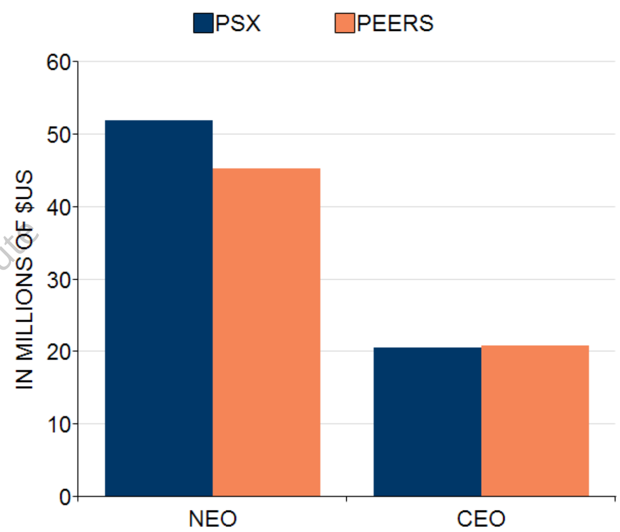
HISTORICAL COMPENSATION GRADE	
FY 2023:	D
FY 2022:	D
FY 2021:	F

FY 2024 CEO COMPENSATION	
SALARY:	$1,683,333
GDFV EQUITY:	$15,634,577
NEIP/OTHER:	$4,317,453
TOTAL:	$21,635,363

FY 2024 PAY-FOR-PERFORMANCE GRADE



3-YEAR WEIGHTED AVERAGE COMPENSATION

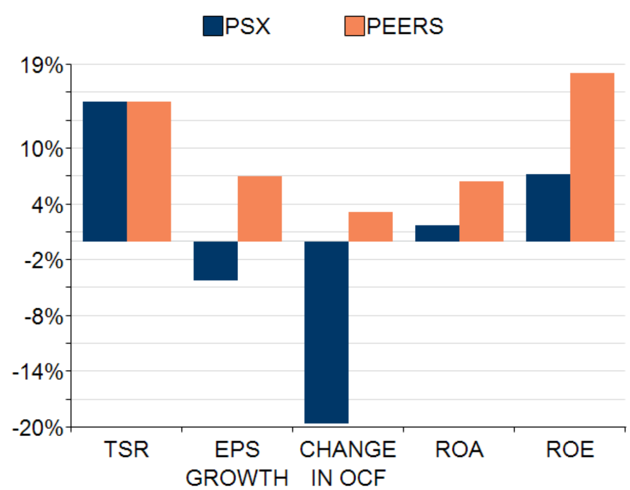


GLASS LEWIS PEERS VS PEERS DISCLOSED BY COMPANY

GLASS LEWIS	PSX
3M Company*	Halliburton Company
Caterpillar Inc.	General Motors Company
Cheniere Energy, Inc.	Ford Motor Company
Chevron Corporation	Dow Inc
ConocoPhillips*	Deere & Company
EOG Resources, Inc.	Archer-Daniels-Midland Company
Hess Corporation	
Honeywell International Inc.*	
Lockheed Martin Corporation	
LyondellBasell Industries N.V.*	
Marathon Petroleum Corporation*	
Occidental Petroleum Corporation*	
RTX Corporation	
The Williams Companies, Inc.*	
Valero Energy Corporation*	

***ALSO DISCLOSED BY PSX**

SHAREHOLDER WEALTH AND BUSINESS PERFORMANCE

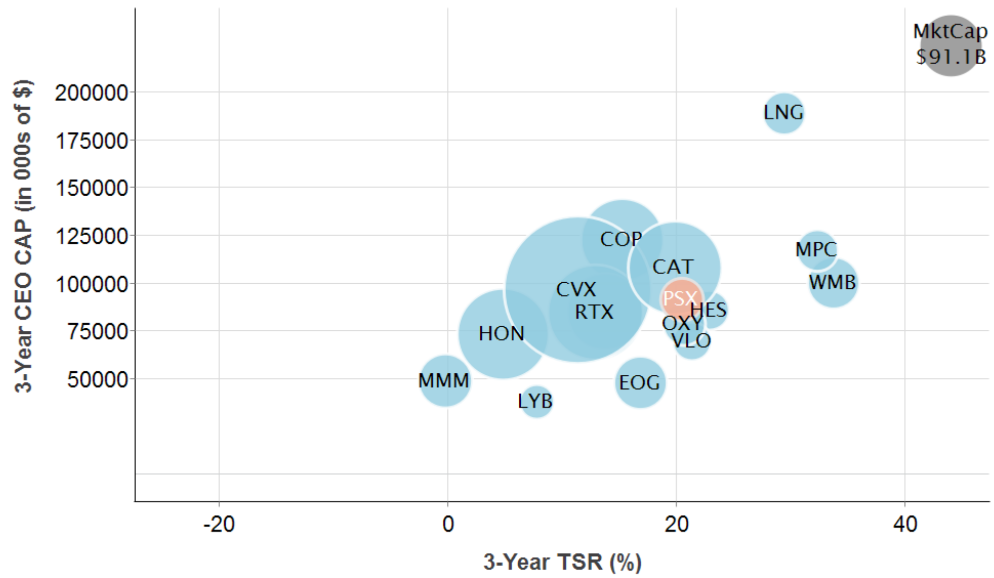


Analysis for the year ended 12/31/2024. Performance measures, except ROA and ROE, are based on the weighted average of annualized one-, two- and three-year data. Compensation figures are weighted average three-year data calculated by Glass Lewis. Data for Glass Lewis' pay-for-performance tests are sourced from company filings, including proxy statements, annual reports, and other forms for pay. Performance and TSR data are sourced from Capital IQ and publicly filed annual reports. For Canadian peers, equity awards are normalized using the grant date exchange rate and cash compensation data is normalized using the fiscal year-end exchange rate. The performance metrics used in the analysis are selected by Glass Lewis and standardized across companies by industry. These metrics may differ from the key metrics disclosed by individual companies to meet SEC pay-versus-performance rules.

Glass Lewis peers are based on Glass Lewis' proprietary peer methodology, which considers both country-based and sector-based peers, along with each company's disclosed peers, and are updated in February and August. Peer data is based on publicly available information, as well as information provided to Glass Lewis during the open submission periods. The “Peers Disclosed by Company” data is based on public information in proxy statements. Glass Lewis may exclude certain peers from the Pay for Performance analysis based on factors such as trading status and/or data availability.

For details on the Pay-for-Performance analysis and peer group methodology, please refer to Glass Lewis’ Pay-for-Performance Methodology & FAQ.

COMPENSATION ANALYSIS



	Market Capitalization	Revenue	CEO Compensation Actually Paid	1Y TSR	3Y TSR	5Y TSR
Reference Company Percentile	38%ile	94%ile	63%ile	19%ile	63%ile	13%ile
Reference Company	$47.1B	$143.2B	$91.2M	-11.6%	20.5%	4.8%
25th Percentile of Peers	$40.8B	$15.5B	$48.6M	-6.5%	7.8%	7.2%
50th Percentile of Peers	$68.6B	$41.1B	$84.9M	10.0%	16.9%	10.1%
75th Percentile of Peers	$128.3B	$71.0B	$100.0M	25.9%	21.3%	16.5%
Multiple of Median	0.7x	3.5x	1.1x	N/A	N/A	N/A

	COMPENSATION ACTUALLY PAID (CAP)		EPS		ROA		ROE	
Year	PSX	GL Peers (Median)	PSX	GL Peers (Median)	PSX	GL Peers (Median)	PSX	GL Peers (Median)
2024	$20.0M	$21.6M	$5.01	$8.76	1.7%	5.9%	7.2%	18.1%
2023	$34.7M	$15.6M	$15.56	$9.08	6.8%	7.8%	22.0%	23.5%
2022	$36.5M	$45.2M	$23.36	$12.73	9.3%	9.0%	40.9%	31.5%

RATIO OF 3-YEAR COMPENSATION ACTUALLY PAID TO 3-YEAR TSR					
Market Capitalization Band	**PSX**	**25th Percentile**	**50th Percentile**	**75th Percentile**	**90th Percentile**
$4B+	757,322:1	212,935:1	330,617:1	522,386:1	779,790:1

	LIST OF COMPANIES
Glass Lewis Peer Group	Hess Corporation (HES), LyondellBasell Industries NV (LYB), The Williams Companies, Inc (WMB), Valero Energy Corporation (VLO), ConocoPhillips (COP), Occidental Petroleum Corporation (OXY), EOG Resources, Inc (EOG), Marathon Petroleum Corporation (MPC), 3M Company (MMM), Honeywell International Inc (HON), Lockheed Martin Corporation (LMT), RTX Corporation (RTX), Chevron Corporation (CVX), Cheniere Energy, Inc (LNG), Caterpillar Inc (CAT)

The Compensation Analysis for U.S. companies uses “compensation actually paid” figures provided by companies in proxy materials. The financial data used is based on information provided by Capital IQ. The performance metrics used in the analysis are selected by Glass Lewis and standardized across companies by industry. These metrics may differ from the key metrics disclosed by individual companies to meet SEC pay-versus-performance rules. The peer groups used in this analysis are created using Glass Lewis' proprietary peer-to-peer methodology for North American companies.
For further information on the “compensation actually paid” figures, please see Glass Lewis' paper, New SEC Pay Versus Performance Disclosure Requirements. Find the Perfect Peer Group with Glass Lewis

1.00: ELECTION OF DIRECTORS

SPLIT

PROPOSAL REQUEST: Election of four of the fourteen directors **ELECTION METHOD:** Plurality

RECOMMENDATIONS & CONCERNS:

WITHHOLD: **J. Lowe** ; **R. Pease** ; **H. Ungerleider**

FOR: **A. Hearne**

NOT UP: **M. Lashier** ; **J. Bushman** ; **L. Davis** ; **G. Hayes** ; **C. Holley, Jr.** ; **G. Puma** ; **D. Singleton** ; **D. Terreson** ; **G. Tilton** ; **M. Whittington**

PROPOSAL SUMMARY

Shareholders are being asked to elect four nominees to each serve a three-year term.

BOARD OF DIRECTORS

UP	NAME	AGE	GENDER	DIVERSE+	GLASS LEWIS CLASSIFICATION	COMPANY CLASSIFICATION	OWN**	COMMITTEES						TERM START	TERM END	YEARS ON BOARD
								AUDIT	COMP	GOV	NOM	E&S^	CYB^^			
	Mark E. Lashier* ·CEO ·Chair	63	M	No	Insider [1]	Not Independent	Yes					✔		2022	2027	3
	Julie L. Bushman	64	F	No	Independent	Independent	Yes		C	✔	✔	✔		2020	2027	5
	Lisa A. Davis	61	F	No	Independent	Independent	Yes	✔				✔	✔	2020	2027	5
	Gregory J. Hayes	64	M	No	Independent	Independent	Yes		✔	C	C	✔		2022	2026	3
✔	A. Nigel Hearne*	57	M	No	Independent	Independent	Yes							2025	2025	0
	Charles M. Holley, Jr.	68	M	No	Independent	Independent	Yes	✔X				✔	✔	2019	2026	6
− ✔	John E. Lowe	66	M	No	Independent [2]	Independent	Yes	CX		✔	✔	✔	C	2012	2025	13
− ✔	Robert W. Pease	66	M	No	Independent	Independent	Yes	✔		✔	✔	C	✔	2024	2025	1
	Grace Puma	62	F	Yes	Independent	Independent	Yes		✔			✔		2024	2027	1
	Denise R. Singleton	62	F	Yes	Independent	Independent	Yes		✔			✔		2021	2026	4
	Douglas T. Terreson	63	M	No	Independent	Independent	Yes	✔				✔	✔	2021	2027	4
	Glenn F. Tilton ·Lead Director	76	M	No	Independent [3]	Independent	Yes		✔	✔	✔	✔		2012	2026	13
− ✔	Howard I. Ungerleider	57	M	No	Independent	Independent	No							2025	2025	0
	Marna C. Whittington	77	F	No	Independent	Independent	Yes	✔X		✔	✔	✔	✔	2012	2026	13

C = Chair, * = Public Company Executive, X = Audit Financial Expert, [icon] = Withhold or Against Recommendation

1. Chair and CEO.
2. Former executive vice president (until 2012) of ConocoPhillips, from which the Company was spun-off in 2012.
3. Lead independent director.

+Reflects racial/ethnic diversity reported either by the Company or by another company where the individual serves as a director. Only racial/ethnic diversity reported by the Company will be reflected in the Company's reported racial/ethnic board diversity percentage listed elsewhere in this Proxy Paper, if available.
***Percentages displayed for ownership above 5%, when available*
^Indicates board oversight responsibility for environmental and social issues. If this column is empty, it indicates that this responsibility hasn't been formally designated and codified in committee charters or other governing documents. ^^Indicates board oversight responsibility of cybersecurity issues has been designated to a specific committee with members as identified.

NAME	ATTENDED AT LEAST 75% OF MEETINGS	PUBLIC COMPANY EXECUTIVE	ADDITIONAL PUBLIC COMPANY DIRECTORSHIPS
Mark E. Lashier	Yes	Yes	None
Julie L. Bushman	Yes	No	(2) Adient plc; Bio-Techne Corporation
Lisa A. Davis	Yes	No	(3) Air Products and Chemicals, Inc.; Penske Automotive Group, Inc.; C3.ai, Inc.
Gregory J. Hayes	Yes	No	(1) Becton, Dickinson and Company
A. Nigel Hearne	N/A	Yes	None
Charles M. Holley, Jr.	Yes	No	(2) Amgen Inc.; Carrier Global Corporation
John E. Lowe	Yes	No	(1) TC Energy Corporation C
Robert W. Pease	Yes	No	None
Grace Puma	Yes	No	(2) Target Corporation; Organon & Co.
Denise R. Singleton	Yes	No	(1) Teledyne Technologies Incorporated
Douglas T. Terreson	Yes	No	None
Glenn F. Tilton	Yes	No	(1) AbbVie Inc.
Howard I. Ungerleider	N/A	No	(2) American Airlines Group Inc.; Kyndryl Holdings, Inc.
Marna C. Whittington	Yes	No	(1) Oaktree Capital Group LLC

C = Chair

MARKET PRACTICE

BOARD	REQUIREMENT	BEST PRACTICE	2023*	2024*	2025*
Independent Chair	No[1]	Yes[5]	No	No	No
Board Independence	Majority[2]	66.7%[5]	85%	92%	93%
Gender Diversity	N/A[4]	N/A[4]	38.5%	38.5%	35.7%
COMMITTEES	**REQUIREMENT**	**BEST PRACTICE**	**2023***	**2024***	**2025***
Audit Committee Independence	100%[3]	100%[5]	100%	100%	100%
Independent Audit Chair	Yes[3]	Yes[5]	Yes	Yes	Yes
Compensation Committee Independence	100%[2]	100%[5]	100%	100%	100%
Independent Compensation Chair	Yes[2]	Yes[5]	Yes	Yes	Yes
Nominating Committee Independence	100%[2]	100%[5]	100%	100%	100%
Independent Nominating Chair	Yes[2]	Yes[5]	Yes	Yes	Yes

** Based on Glass Lewis classification*

1. *NYSE Listed Company Manual*
2. *Independence as defined by NYSE listing rules*
3. *Securities Exchange Act Rule 10A-3 and NYSE listing rules*
4. *No current marketplace listing requirement*
5. *CII*

Glass Lewis believes that boards should: (i) be at least two-thirds independent; (ii) have standing audit, compensation and nomination committees comprised solely of independent directors; and (iii) designate an independent chair, or failing that, a lead independent director.

GLASS LEWIS ANALYSIS

We believe it is important for shareholders to be mindful of the following:

BOARD CHANGES

We note the following board changes, which have occurred (or will occur) between the publication of our last annual meeting Proxy Paper and this year's annual meeting.

DIRECTOR	BOARD ROLE	NOTES
Gary K. Adams	Former Independent Director	Not standing for re-election at annual meeting
Denise L. Ramos	Former Independent Director	Not standing for re-election at annual meeting
A. Nigel Hearne	Independent Director	New nominee
Grace Puma	Independent Director	Appointed October 2024
Howard I. Ungerleider	Independent Director	New nominee

DIVERSITY POLICIES AND DISCLOSURE

FEATURE	COMPANY DISCLOSURE
Director Race and Ethnicity Disclosure	Individual
Diversity Considerations for Director Candidates	Gender and race/ethnicity
"Rooney Rule" or Equivalent	Yes
Director Skills Disclosure (Tabular)	Matrix
***Overall Rating:** Exemplary	
Company-Reported Percentage of Racial/Ethnic Minorities on Board: 14.3%	

*For more information, including detailed explanations of how Glass Lewis assesses these features, please see Glass Lewis' *Approach to Diversity Disclosure Ratings*.

The Company has provided exemplary disclosure of its board diversity policies and considerations.

BOARD SKILLS

Glass Lewis believes that depth and breadth of experience is crucial to a properly functioning board. We believe shareholders' interests are best served when boards proactively address a lack of diversity through targeted refreshment, linking organic succession planning with the skill sets required to guide and challenge management's implementation of the board's strategy.

We have reviewed the non-employee directors' current mix of skills and experience as follows*:

BASIC INFORMATION				CORE SKILLS							SECTOR-SPECIFIC SKILLS				
Director	**Age**	**Gender**	**Tenure**	**Core**	**Finance/ Risk**	**Legal/ Policy**	**Senior Exec**	**Cyber/ IT**	**E&S**	**HCM**	**Health/ Safety**	**Intl Sales/ Mrkts**	**M&A/ Cap Mrkts**	**Tech/ Eng**	**MFG/ SCM/ Global Ops**
Julie L. Bushman	64	F	5				X	X		X	X	X		X	X
Lisa A. Davis	61	F	5	X			X		X	X		X		X	X
Gregory J. Hayes	64	M	3			X	X			X		X	X	X	X
A. Nigel Hearne	57	M	0	X			X			X	X	X	X	X	X
Charles M. Holley	68	M	6		X		X					X	X		
John E. Lowe	66	M	13	X	X		X		X		X		X	X	X
Robert W. Pease	66	M	1	X		X	X		X	X				X	X
Denise R. Singleton	62	F	4			X									X
Grace Puma	62	F	1				X		X	X		X	X		X
Douglas T. Terreson	63	M	4	X	X								X	X	
Glenn F. Tilton	76	M	13	X	X	X	X			X		X	X		X
Howard I. Ungerleider	57	M	0		X		X		X	X		X	X	X	X
Marna C. Whittington	77	F	13		X		X			X		X	X		

*Please note that the above information is for guidance only and has been compiled using the Company's most recent disclosure and/or additional public sources as necessary. It is not intended to be exhaustive. For further information, please refer to the Glass Lewis Board Skills Appendix.

PROPOSAL SUMMARY

The annual meeting of Phillips 66 (“P66” or the “Company”) involves a contested election of directors.

P66 has nominated four Class I candidates (Hearne, Lowe, Pease and Ungerleider) each to serve a three-year term expiring at the Company’s 2028 annual meeting. P66 is soliciting support for its nominees using the WHITE proxy card.

Elliott Investment Management L.P. (together with its affiliates, “Elliott” or the “Dissident”), which holds a 5.7% economic interest in P66, has nominated four candidates (Coffman, Cornelius, Heim and Nieuwoudt) in contest to the Class I nominees proposed by P66. If elected, Elliott’s nominees would also serve a three-year term expiring at the Company’s 2028 annual meeting. Elliott is soliciting support for its nominees using the GOLD proxy card.

Vote Mechanics

Because the forthcoming meeting qualifies as a contested election under P66’s bylaws, Class I directors will be elected by a plurality of votes cast, assuming a quorum is present. Given P66’s classified board structure, the four nominees receiving the greatest number of favorable votes will be elected.

Shareholders may vote in favor of up to no more than four nominees in total. If a shareholder attempts to vote in favor of more than four nominees, all votes will be deemed invalid for purposes of the election of directors. For the avoidance of doubt, shareholders may vote in favor of less than four nominees.

DISSIDENT ARGUMENT

Within materials published on its campaign microsite, Elliott argues that P66 is materially underperforming and is deeply undervalued as a result of failed governance, poor operating performance, damaged management credibility and a broken conglomerate structure. Elliott further claims that despite prior efforts to address these issues, P66 has resisted change and misled investors in the service of maintaining the status quo, in all cases while demonstrating complacency in the face of underperformance. In lieu of this path, Elliott states that it has assembled a purpose-built slate of independent directors who collectively bring expertise and perspectives urgently needed to address the issues P66 faces today. Elliott expects these candidates would, among other things, improve refining operations, streamline P66's portfolio, unlock midstream value and restore investor credibility, allowing the Company to capture captive upside for the benefit of all P66 investors.

Given the foregoing considerations, among others, Elliott recommends shareholders utilize the GOLD proxy card to support the election of Brian Coffman, Sigmund Cornelius, Michael Heim and Stacy Nieuwoudt.

BOARD RESPONSE

Within materials published on its campaign microsite, the board argues that P66 has offered consistent and compelling value creation and reliable, above-market returns on and of capital, predicated, in each case, on a transformative long-term strategy and bold, value-accretive strategic portfolio actions. The board maintains that P66 is pursuing a disciplined organic growth plan overseen by a highly engaged and refreshed board supported by nominees with track records of value creation. By contrast, the board argues Elliott is advancing a short-sighted, risky agenda that will disrupt long-term shareholder returns and ignore progress made under P66's current strategy. The board further suggests that Elliott engaged erratically with the board prior to the current campaign, and is now relying on disingenuous and deceptive commentary to advance conflicted, duplicative and less qualified board nominees.

Given the foregoing considerations, among others, the board recommends shareholders utilize the WHITE proxy card to support the election of A. Nigel Hearne, John Lowe, Robert Pease and Howard Ungerleider.

GLASS LEWIS RECOMMENDATION

EXECUTIVE SUMMARY

Just over a year on from its early involvement at the Company, Elliott now comes to shareholders with a four-member slate and a firmly pointed critique of the status quo at P66. Elliott's central case remains heavily predicated on the notion that P66 has wandered far afield in a largely maladroit effort to construct an efficient and fully valued integrated oil and gas player. The result, in Elliott's view, is a suboptimal, low yield strategy which has demonstrably failed to meet targets, generate strong returns or differentiate P66 from its closest refining peers. Of related concern is the possibility that current management and the board – who are to date collectively aligned on the success of P66's execution despite seemingly evident cause to conclude the Company's costly junket toward further conglomeration has been a millstone – will continue to reallocate capital toward further midstream sprawl, damaging shareholder value and leaving P66 still further behind its core comps. In lieu of this potential outcome, Elliott asserts investors would be well served supporting its alternate slate prepared to improve accountability, enhance relevant expertise and, most notably, unlock significant value held captive in P66's existing operational architecture.

The board, in turn, looks to pull few punches in its rebuttal. Most centrally, the board asserts that Elliott's platform demonstrates a poor grasp of P66's increasingly strong operating performance and integrated synergy value, which have together aided in the Company's ability to accretively reinvest, aggressively return capital and generate attractive shareholder value. Given what is viewed as a compelling backdrop, the board considers Elliott's preferred tack for P66 – i.e. a potential break-up of the Company's constituent segments – to be high-risk, ill-informed and dismissive of the board's own efforts to continually review the P66 portfolio for value-maximizing opportunities. These issues are further compounded by what the board considers to be Elliott's misleading analyses and myriad tactical maneuvers which run afoul of corporate governance best practice. The board thus strongly presses for investors to endorse the existing P66 slate, which notably includes former Elliott nominee Bob Pease.

In our view, the more compelling case is offered by Elliott, in this case by a relatively decisive margin. While there is certainly space to quibble at the margins, we believe the core argument that P66 has failed to drive compelling shareholder returns or a differentiated valuation as an extension of management's pursuit of further integration is fundamentally sound. We further consider Elliott lands much more effective ripostes on matters of cost management, synergy value and capital allocation, crimping core tenets of P66's defense. These issues stack on what we consider to be fairly disconcerting corporate governance considerations, including a dubious commitment to good faith engagement, a questionable and counterproductive realignment of key oversight roles and a late-stage candidate pivot which seems to call into question the board's prior candor. These issues should, in our view, be of significant concern to P66 investors.

We further note that while the board seeks to highlight the potentially complex and transformational elements of Elliott's alternate strategy, it should be stressed that the current campaign necessarily contemplates only minority change. As a result, Elliott's nominees would be in no position to unilaterally progress any major transaction without further support from existing members of the board. With this in mind, we consider the likely and much more practical benefit here is a presumed willingness by Elliott's nominees to challenge an evidently low value status quo which by all accounts appears not only acceptable to the current board but is purported to be worthy of praise. All else held equal, we consider this seemingly complacent perspective fairly unsettlingly and, taken together with the balance of our concerns, believe there exists sufficiently persuasive cause for board reconstitution at this time.

PRECEDENT EVENTS

The current tilt follows a lengthy build-up touched off by Elliott's late 2023 push for change at P66. Elliott's then-current platform – which was self-disclosed in a November 29, 2023 press release – raised a broadly comparable raft of operational concerns and sought, among other things, the appointment of two new members to the P66 board. Following two-plus months of outward quietude, P66 issued a February 13, 2024 press release disclosing the appointment of Bob Pease and a related agreement with Elliott to identify a second mutually agreed director. Though Elliott's willingness to idle further pressure firmly hinged on P66's ability to execute against stated objectives, the appointment of Mr. Pease and agreed pursuit of a second director was seen as an intervening détente, more closely aligned with Elliott's legacy pattern of off-proxy settlement.

Current materials, however, paint the foregoing procession in a much different light. In the period following Elliott's public emergence, but prior to Mr. Pease's appointment, available documentation illustrates Elliott's mounting frustration with the pace and transparency of P66's efforts to identify mutually acceptable director candidates. Only after Elliott's private submission of a nomination notice on February 6, 2024 – just days in advance of a nomination cutoff which P66 previously declined to extend – did P66 announce the agreement with Elliott and the appointment of Mr. Pease (who was also on Elliott's then-contemplated slate). Whether this framework reflects a measured and earnest assessment of available candidates by the board or tactical stalling by P66 is up for debate, though it is worth noting timelines purportedly communicated by the Company to Elliott during this period do appear to have been of near-negligible reliability. In all cases, it seems Elliott's determination to press forward with a potential contest played a large role in P66's willingness to secure a mutually acceptable resolution on an expedited basis.

Agreement in hand, however, it seems P66 may have swiftly reverted to its prior tack. We note exchanges between the parties regarding an additional director appear to have petered out through late August 2024, at which time P66 informed Elliott of its interest in adding Grace Puma to the board. Ms. Puma – whose appointment was ultimately announced on October 11, 2024 – was understood by both parties not to satisfy the "mutually agreed" condition underpinning the February 2024 agreement with Elliott, and, as a result, the search for such a candidate was to remain ongoing. Despite that intention, there do not appear to have been further substantive exchanges on the matter prior to the initiation of the current campaign. In this regard, though P66 leans on the notion that "neither the Company nor any members of the board received any further requests for engagement or any other feedback from [the Dissident]" after Ms. Puma's appointment, Elliott reframes this silent period by noting "[P66] did not provide a further update to Elliott on its search process for the second energy director".

Again, disclosed events are certainly subject to interpretation, though we lean toward the view that investors should greet P66's characterization more skeptically. Currently available materials suggest Elliott routinely pressed for additional insight into the board's candidate identification process and regularly reinforced its perspectives regarding the need for an additional director with energy experience, none of which resulted in the appointment of another director in line with the February 2024 agreement. The implication in P66's framing is that, notwithstanding the Company's apparently consistent failure to produce a candidate list or reliably adhere to any given timeline, the onus remained on Elliott to continue applying pressure, with any failure to doggedly pursue further engagement representing a functional endorsement of the status quo. That reasoning is, in our view, firmly unsatisfying, and appears to reflect something of a reversion to plodding, pre-nomination pacing by the P66 board.

It should be noted the foregoing reversion also occurred contemporaneous to a pointed regression in governance: P66 announced on March 12, 2024 that CEO Mark Lashier would also pick up the role of board chair following the planned retirement of former CEO Greg Garland immediately prior to the Company's 2024 AGM. We understand that Elliott would bristle at this unexpected development. Disclosure of Mr. Lashier's expanded authority fell just one month after the appointment of Mr. Pease, an individual who had previously expressed to Elliott that joining the roles of chair and CEO was "detrimental to a company in need of change". In this regard, we are generally inclined to share the view that allowing a CEO to lead the board to which he or she otherwise reports – in this case without a particularly persuasive performance-driven rationale – is fundamentally suboptimal. By necessary extension, we consider Mr. Pease's expedited recanting on the matter – purportedly predicated on swiftly revised perspectives regarding P66's trajectory following his appointment – disconcerting.

We would further stress that the risk associated with joining these responsibilities is not simply academic here: our engagement with P66 surfaced the notion that Mr. Lashier's vanguard positioning in key exchanges with Elliott throughout the run-up to the current campaign was believed by the board to be justified by his service as board chair. This represents a manufactured logical loop which unpersuasively attempts to sidestep the very ordinary and practicable alternative of simply keeping the roles separate. We are thus generally not sympathetic to the argument that Mr. Lashier's participation as chair was necessary or appropriate and do not consider the board has offered sound reasoning in relation to Elliott's obstructed access to independent P66 directors.

On February 4, 2025, in the wake of the foregoing developments, Elliott would go on to initiate certain formal contest processes, after which, on February 11, 2025, Elliott published a letter raising extensive concerns relating to P66's performance and governance. P66's own materials stress that Elliott's change in tack was both unexpected and questionably sudden, though this view seems to lean quite heavily on the idea that Elliott had not independently pursued further outreach prior to initiating the current solicitation. As noted above, given that Elliott's legacy efforts to derive value from engagement with the P66 board appear to have correlated with *de minimis* gains against basic tenets of the February 2024 agreement, we are inclined to take the view that the expected return on further contact with the P66 board was potentially perceived to be starkly limited.

We would further note Elliott's established willingness to withhold pursuit of additional remedies was always firmly predicated on P66's ability to "demonstrate meaningful progress against … targets" and "reassure investors that [P66] is in the best possible position to achieve its value-creation potential". While we understand P66's extant narrative suggests management and the board likely anticipated the Company's performance offered a sufficiently sturdy bulwark, we believe there is evident cause to conclude Elliott, doubtlessly rankled by a full year of low value engagement on top of largely unaltered performance concerns, was considerably less impressed with P66's progress.

As to divergent representations of the final run-up to the filing of definitive solicitation materials, we believe there exists further cause for concern. In particular, we note the resignations of Class I directors Gary Adams and Denise Ramos on February 18, 2025 and P66's stated intention to reduce the size of the board from 14 to 12 immediately following the 2025 AGM resulted in fundamental friction with provisions of the Company's bylaws and certificate of incorporation which establish that director classes be "as nearly equal in number as is reasonably possible". To remedy this issue, the remaining directors privately determined on the date of the foregoing resignations that the board would rebalance its continuing membership such that each class would have four directors (resulting in a total board of twelve, with four directors to be nominated at the 2025 AGM).

Where we believe P66 again runs afoul of better practice is in relation to Elliott's March 17, 2025 request for clarity regarding the resulting number and identity of candidates to be nominated at the 2025 AGM. Despite what appears to have been a basic inquiry intended to eliminate any ambiguity at a critical juncture, it appears the Company did not respond to that request, nor a follow-on request sent on March 21, 2025. Absent substantive acknowledgment from P66, Elliott initiated action in Delaware intended to compel transparency, further publishing materials noting that the Company had not responded to private outreach and had already demonstrated a questionable track record with respect to board composition. P66 would go on to file a preliminary proxy statement on March 26, 2025 – the last date by which P66 was required to notify Elliott of its slate – providing information relating to, among other things, the four candidates recommend by the board.

While we acknowledge strict compliance by P66 (and Elliott's related withdrawal of the Delaware action), we consider the procession is, at the very least, unimpressive. Indeed, the reasoning for failing to even tersely confirm the number of candidates slated to stand for election is, in our view, relatively weak, particularly given: (i) the board's then-known failure to timely identify, pursue and secure a mutually acceptable second board member consistent with the February 2024 agreement, in all cases notwithstanding Elliott's evident and longstanding frustration and outreach; and (ii) the fact that P66's preliminary proxy filing included the nominations of two new board candidates – A. Nigel Hearne and Howard Ungerleider – increasing the size of the board to 14 members, reversing the board's previously codified intention to reduce the total number of directors and tilting the pro forma board dynamic in a manner that could be expected to effectively dilute the impact of any success by Elliott in its current solicitation.

Viewed collectively, this procession does not give us great confidence in the board's overall candor, willingness to meet stated commitments or exceed basic governance requirements in the absence of material public pressure. This framework arguably puts the board on the back foot from a credibility standpoint.

FULLY INTEGRATED POWERHOUSE OR CONGLOMERATE BOONDOGGLE

Largely consistent with its late 2023 materials, Elliott maintains that P66 is a sector laggard, encumbered by a set of dilutive, mismanaged strategic forays that have left the Company off target, overcosted and undervalued. Elliott's materials regularly center on current CEO and former COO Mark Lashier as the architect of P66's current conglomerate plight and highlight the need to install new directors to address operational sprawl, muddled tactical priorities, ineffective governance and pervasive underperformance. P66's counter is similarly direct: the Company's integrated architecture is a clear boon, offering investors higher returns with lower volatility and a clear path to driving long-term value. By extension, the board argues certain of the plans forwarded by Elliott – notably, a potential break up of P66 – represent a poorly reasoned, deceptively premised and fundamentally damaging shift away from the curated benefits associated with the Company's long-term strategy.

As a practical matter, we expect traction for Elliott's platform will heavily depend on the degree to which investors are willing to cosign on the notion that P66's tilt toward a diversified operational footprint is fundamentally more compelling than a comprehensive reassessment of the Company's current trajectory, up to and including a potential asset split. Our own review suggests P66's current position is much more strained here, noting, among other factors, the following:

- The core TSR narrative is more granularly contentious than normal, though we believe Elliott has the upper hand by a firm margin. We tend to share Elliott's stated views on peer selection and relevant SOTP methodologies and agree that direct comparison against Valero and Marathon offers something of an unadulterated benchmark that P66 largely skirts;

- Nearly irrespective of applied standard, substantially all underlying TSR comparisons shake out unfavorably for the Company, undermining the central thread that P66's amalgam of assets ultimately drives value and hedges downside refining volatility. As a fundamental touchpoint, we note P66 generated a total return of 78.8% between March 31, 2021, the day prior to Mr. Lashier's appointment as COO, and February 10, 2025. By comparison, Valero and Marathon generated returns of 120.7% and 216.9%, respectively, while an equal-weight composite of midstream peers MPLX, TRGP, EPD and OKE returned 262.7%. P66 has not kept pace with its core refining peers since Mr. Lashier stepped in as a senior executive and the Company's acquisitive forays certainly have not captured midstream tailwinds;

- Many elements of the board's TSR defense (e.g. excising performance relating to Mr. Lashier's tenure as COO, inclusion of multiple materially subscale peers, tenuously reasoned SOTP methodology) are optically questionable and materially less persuasive. In a campaign inextricably predicated on the notion that P66's asset mix is a favorable differentiator, the board's inability to draw what we consider to be a strong, straightforward throughline to shareholder value is a bust;

- P66 separates Marathon and questionably buries Valero in a median measurement tied to four other dramatically smaller refiners (CVI, DINO, DK, PBF median market cap of $2.6 bn as of February 10, 2025, VLO at $43.3 bn) to blunt Elliott's trading narrative. Pulling Valero out of P66's refiner set and measuring from November 30, 2023 (excising the immediate uplift associated with Elliott's original letter) to February 10, 2025, P66 generates a total return of -0.9% against returns of 5.2% and 13.2% by Marathon and Valero, respectively. An equal-weight basket of the remaining refiners referenced by P66, in contrast, generates a total return of -30.0% over the same period, calling into direct question the board's determination to mask Valero's performance in a muddled median. Moreover, the same midstream composite returned 70.9% over the same period, persuasively establishing that P66 has not followed midstream trends during more recent efforts to reshape its business mix;

- We believe the foregoing perspective is reinforced with reference to P66's valuation. Per S&P Capital IQ, as of February 10, 2025, the Company posted a 2026E EBITDA multiple of approximately 7.3x. Though this tracks roughly a half-turn above the average posted by Valero and Marathon (i.e. 6.8x), it falls substantially below the average posted by the midstream peers on the same date (i.e. 10.8x). All told, we consider there is little credible debate that P66 continues to be viewed as a refiner first, notwithstanding its messaged value proposition and continued accrual of midstream assets;

- Refining cost arguments also tilt away from P66, in our view. While the Company's recent $1.08 per barrel reduction is noted, it appears P66's opex per barrel remains significantly elevated against core refining peers Valero and Marathon. That P66 can shave more than a dollar per barrel in costs and, by its own calculations, still find itself well off pace against its comparably scaled refining peers in all regions (Slide 16, P66 investor deck) suggests progress to date is more incremental than transformative. In all cases, shareholders should certainly anticipate that P66 would be positioned to reduce expenses more expeditiously than its core refining comps, given the Company's functional worst-in-peer positioning;

- P66's defense of its capital recycling program is, in our view, also a miss. While the Company's divestiture of certain non-core assets – including exits from several non-operating interests during 2024 and a planned sale of certain international retail marketing operations in the relative near term – appears aligned with stated objectives, management's determination to reroute proceeds back to additional midstream transactions in lieu of further capital returns and amid open questions regarding the market's willingness to fully value P66's midstream business is, in our view, overtly questionable;

- For the avoidance of doubt, the foregoing program has not contributed to value differentiation for P66. Between August 16, 2022, the last trading date prior to the first strategic transaction highlighted by the board (i.e. the DCP Midstream acquisition), and February 10, 2025, the Company returned 51.7%. This falls comfortably between returns generated by Valero and Marathon (30.3% and 67.2%, respectively) and well below the midstream set

(111.3%);

- We believe Elliott has soundly challenged synergy representations by noting that many of the benefits claimed by P66 could be replicated through contractual arrangements, working against the notion that direct ownership is an unquestionably firm prerequisite here. We do not believe the board has persuasively challenged Elliott on this issue; and

- P66's track record of hitting stated targets and consensus expectations appears fairly shaky, in our view. While the board contests this narrative to a degree, the counter does not prove effective in context. For example, the Company recently missed consensus mean EPS by 18% for 1Q25 (0.3% beat by Marathon, 117.1% beat by Valero) and is currently expected to widely miss its $14 billion 2025 mid-cycle EBITDA target (1Q25 annualized EBITDA is $2.9 bn, 2025 consensus mean EBITDA at $6.7 bn as of May 7, 2025). Elliott also notes a range of other items, including failed cost-out efforts, bloated organic growth initiatives and seemingly aspirational analyst day targets, further undermine the credibility of management's ability to communicate goals effectively and execute on plan. We are generally inclined to share this skepticism, which ultimately works against the notion that investors would be best served endorsing the status quo in potentially vain hope for a departure from form.

While we acknowledge there are additional assumptions-driven divides between Elliott and P66 (e.g. leakage estimates, other one-time and run-rate costs associated with certain structural alternatives, pro forma trading multiples for a standalone refinery entity), we believe the Dissident's fundamental quantitative contention– namely, that P66 has failed to effectively manage its core refining business, generate compelling shareholder returns, communicate and reliably achieve stated targets or close its valuation gap despite high cost and heavily messaged forays into midstream – appears to hold water.

As a bookend to that perspective, we consider many of P66's primary rebuttals seem to rely more on creative representation and selective measurement architecture to circumnavigate what we believe is otherwise an unfavorable operational yield. In short, we believe the dissenting quantitative case is substantially more persuasive, and would, on its own and in the absence of any other concerns, arguably already represent adequate basis for change at P66.

CORPORATE GOVERNANCE FACTORS

The major governance item of note here is P66's seemingly Sisyphean push to declassify its board, framed here as either a sincere lift against an onerous "80% of outstanding" threshold or a calculated feint toward governance reform that burnishes optics while more practically portending a perpetuation of the status quo. Taken at face value, it could be said the P66 board is doing what it can within the confines of extant (if decidedly regressive) governing documentation, and that the manifold proposals previously submitted to shareholders have been formatted to comply with applicable law. It could also be argued existing P66 shareholders would have been aware of these long-standing provisions in connection with their investment in the Company, leaving comparatively less space for a fit of pique roughly a decade into attempted repeal. Conversely, prior results have been uniformly decisive, leaving substantially no ambiguity as to shareholder preference for a destaggered board.

The question, then, is whether the full scope of the board's actions to date reflect a truly comprehensive effort to address abundant and consistent investor endorsement which nevertheless fails to hit near-preclusive thresholds (i.e. all five iterations of P66's prior declassification proposals received support from 99% of voted shares but only captured approximately 70 - 73% of outstanding shares). That ask proves complex, as there is not a traditional basis upon which to suggest the board has failed to give P66 investors the opportunity to vote directly on this issue, and bog-standard alternatives to the impasse appear comparatively limited.

Enter Elliott, which has submitted a novel, though heavily contested framework which seems to meander between precatory (the proposal is advisory) and binding (the underlying language seeks to compel the board to adopt a policy requiring an annual letter of resignation). The tack is, to our awareness, a first of its kind, and has drawn a bevy of external commentary both for and against adoption. As discussed further in our analysis of Proposal 6, while we recognize the position taken by P66, we ultimately believe the balance of considerations, including non-binding resolution architecture and wide latitude in policy design, tilts in favor of supporting an alternative means of fostering greater accountability and direct recognition of landslide shareholder mandates which reflect unambiguous sentiment. We thus believe investors should vote in favor of both P66's declassification resolution and Elliott's precatory shareholder proposal.

As to more routine governance considerations, as noted in our discussion of the run-up to the current dispute, we are concerned that Elliott appears to have been denied access to independent members of the board and was instead routed through Mr. Lashier. The stated basis for this approach, per our engagement with P66, was that Mr. Lashier's involvement was warranted in large part as an extension of his service as board chair. We maintain this stricture is something of a circuitous fabrication: there was no obligation to afford Mr. Lashier the combined role, particularly given proximity to public commentary broadly (and, as it happens, credibly) challenging P66's then-current performance and execution during Mr. Lashier's tenure as CEO and COO. Taken together with a long-tenured lead independent director, we believe there is a reasonable argument to suggest a board committed to best practice may have thought better of further concentrating key oversight responsibilities with Mr. Lashier. Against that backdrop, we do not believe shareholders should be swayed by the suggestion that Mr. Lashier's positioning as engagement gatekeeper was justified or appropriate, particularly given the balance of concerns raised by Elliott privately and publicly over the last 18 months. We consider this a firm step back and are concerned by the board's associated rationale.

With respect to the disclosure of P66's current slate, we again acknowledge that the Company appears to have been strictly compliant with applicable regulations. All the same, we take a dim view of the Company's late-stage structural pivot, noting the board flip-flopped on size between February 18 and March 14, 2025, by adding Messrs. Hearne and Ungerleider. This sudden reversion, it should be stressed, came only after the board failed to comply with the provisions of its February 2024 agreement with Elliott. That P66 was apparently unwilling to share candidate lists or seemingly seriously consider Elliott's contemplated nominees in the service of filling a single board seat for more than a year – but could, under renewed public pressure from Elliott, swiftly manifest two prospects in less than a month – does little to diminish the impression that the current board may have been testing boundaries and dragging its feet in something of a tactical gambit. In all cases, we consider this procession, placed in full context, raises significant questions regarding P66's commitment to sound governance and the efficacy of its shareholder engagement framework.

DISSIDENT ALTERNATIVE

Given the sum of the foregoing factors, including the board's open willingness to cosign on what is an evidently dour performance and governance arc, we clearly believe some degree of change is warranted at P66 currently.

In consideration of Elliott's slate, we would circle back to the guiding premise that a dissenting investor should not only identify a set of relevant and material concerns but also advance a selection of candidates credibly prepared to constructively address those concerns for the benefit of all investors. With that standard in mind, we consider there is sound cause to support the following Elliott nominees:

i. Sigmund Cornelius, who we expect would bring arguably critical executive and refining expertise, as well as legacy familiarity with P66's asset base as the former senior vice president and CFO of ConocoPhillips;

ii. Michael Heim, who, by extension of his prior service as founder, president, vice chair and COO of midstream player Targa Resources, would be expected to afford credible, independent perspectives in relation to P66's midstream assets and avenues to address captive value; and

iii. Brian Coffman, as an additional refining executive with established familiarity with P66's asset base.

Looking toward P66's slate, and bearing in mind our perspectives on Elliott's nominees, we consider investors should oppose the election of the following candidates:

i. John Lowe, who is a long-serving member of the board – having joined at the time of the ConocoPhillips spin, and who has messaged clear confidence in the continued pursuit of a strategy we do not believe has been value creative for P66 shareholders;

ii. though he offers relevant sector expertise and is a former Elliott nominee, Bob Pease, who swiftly recanted on a core corporate governance principle early in his tenure and currently endorses P66's current strategy and execution; and

iii. Howard Ungerleider, who emerged very late in the run-up to the current AGM and principally brings additional expertise in chemicals, a comparatively smaller portion of the Company's business which, as noted by Elliott, maintains a separate board and management team and does not require substantive operational input from P66.

With respect to the remaining candidates (Stacy Nieuwoudt from Elliott and A. Nigel Hearne from P66), while we recognize Ms. Neiuwoudt's analyst background and her intended positioning as a touchpoint between management and the investor community, we consider additional operational perspectives – in this instance stemming from Mr. Hearne's service at Chevron and Harbour Energy – prove more critical at this juncture. We thus currently recommend shareholders also support the election of P66 nominee Hearne at this time.

Regarding conflict threads raised by P66, we struggle to find serious traction. The purported Citgo exposé feels thin. We do not buy that Elliott's involvement in the bid process was in any way clandestine, noting that P66's own materials reinforce that the Dissident's prospective investment has been widely public for more than a year. Moreover, Elliott has expressly indicated it is not the lead bidder for the assets and would, in any case, seem to have little sound cause to damage the economic value of a major stake in P66. As an associated consideration, attempts to illustrate a web of connections to Greg Goff among Elliott's nominees feel spurious and unpersuasive, and largely leave investors to fill-in-the-blanks regarding implied risks and uncertainties. This piles on to the already strained implication that Mr. Goff is functionally an Elliott employee, which assertion we do not consider well-supported here.

As it relates to Elliott's promulgated assessment of P66's operational architecture, we understand evident divides on available opportunities (i.e. risks, costs and opportunities associated with possible splits or sales) and the fact that Elliott is necessarily working from the outside looking in. We further acknowledge each side has large teams considering the changes along with a raft of advisers which have, in turn, produced significantly different perspectives on valuation and tax implications. All the same, we consider the debate asks investors to major in the minors. Even with a full slate election, Elliott's nominees would be in no position to force any major corporate action without considerable additional support among the balance of P66's board. The true value here, then, is not in the notion that the Elliott nominees would swiftly compel a battery of transformative transactions but is instead centered on the need to challenge a status quo which, if taken at face value, has regularly concluded that the Company's "integrated" footprint is a significant advantage for P66 and its shareholders. As discussed at length in our performance discussion, we believe there are manifold reasons to question that view and believe there is fundamental merit to advancing fresh boardroom perspectives at this time.

CONCLUSION

Narrative friction is at the fore, in our view, as the board firmly asserts that significant steps toward integration have been successful and "will continue to drive long-term value" for investors. On review, this perspective appears disconcertingly disconnected from the boots-on-the-ground reality: P66 has regularly run afoul of market expectations, has not generated competitive value during the span of Mr. Lashier's executive service, has not demonstrated what we believe is any compelling, durable deviation from refiner trends, and, notwithstanding expansive capital recycling into additional midstream assets, has not exhibited any substantive valuation upside or alignment with midstream peers. In short, if a fully integrated value proposition exists here, we believe the board's materials struggle mightily to illustrate it in particularly persuasive terms.

In lieu of perpetuating a framework which seems likely to throw good money after bad in further pursuit of nominal integration, we believe Elliott has offered investors credible and targeted alternative nominees well-tuned to P66's evident struggles. Critically, we expect the identified Elliott nominees would challenge prevailing internal narratives which seem to belie, among other things, a disconcerting satisfaction with a less than laudatory operational arc, a staunch but otherwise questionable defense of an ineffective strategic tack and an increasingly dubious commitment to sound corporate governance. Alongside these efforts, we acknowledge board-level engagement would likely surface discussions relating to available alternatives intended to address what we believe are credible arguments around captive value at P66. While we recognize certain of these alternatives would be transformative – and further acknowledge there exists outside-in limitations associated with Elliott's extant assumptions – we stress that pursuit of any given alternative would require broader board support and emphasize that the practical benefit here is in creating a boardroom better prepared to more thoroughly consider all options to maximize shareholder value. We firmly believe Elliott's solicitation provides the more credible path to that benefit for P66 investors.

Accordingly, we recommend shareholders use Elliott's <u>GOLD</u> proxy card to vote:

FOR: Coffman; Cornelius; Hearne; Heim

WITHHOLD: Lowe; Nieuwoudt; Pease; Ungerleider

2.00: REPEAL OF CLASSIFIED BOARD

FOR

PROPOSAL REQUEST:	Amend the Company's certificate of incorporation to declassify the board over a three-year period	**RECOMMENDATIONS & CONCERNS:**	
BINDING/ADVISORY:	Binding	**FOR-**	No material concerns
REQUIRED TO APPROVE:	80% of shares outstanding		

PROPOSAL SUMMARY

The board seeks shareholder approval to amend the Company's certificate of incorporation in order to declassify the board of directors over a three-year period. If the proposal is approved, the annual election of directors will begin at the 2026 annual meeting and all directors will stand for annual election from the 2028 annual meeting forward.

We note that the board submitted this proposal in 2015, 2016, 2018, 2021 and 2023, and, while it received significant support, it did not receive the 80% vote required for adoption.

GLASS LEWIS ANALYSIS

Glass Lewis believes that classified boards do not serve the best interests of shareholders. Empirical studies have shown that: (i) companies with classified boards are associated with a reduction in the firm's value; (ii) in the context of hostile takeovers, classified boards operate as a takeover defense, which entrenches management, discourages potential acquirers and delivers less return to shareholders; and (iii) companies with classified boards are less likely to receive takeover bids than those with single-class boards. Glass Lewis also believes that the annual election of directors provides maximum accountability of directors to shareholders and requires directors to focus on shareholders' interests.

Moreover, Glass Lewis believes that the ability to oppose the election of directors is a powerful mechanism through which shareholders may express dissatisfaction with company or director performance. When companies have classified boards, shareholders are deprived of their right to voice their views regarding the oversight exercised by their representatives.

We recommend that shareholders vote **FOR** this proposal.

3.00: ADVISORY VOTE ON EXECUTIVE COMPENSATION

FOR

PROPOSAL REQUEST:	Approval of Executive Pay Package	**PAY FOR PERFORMANCE GRADES:**	**FY 2024** D **FY 2023** D **FY 2022** D
PRIOR YEAR VOTE RESULT (FOR):	92.7%	**RECOMMENDATION:**	FOR
STRUCTURE:	Fair		
DISCLOSURE:	Fair		

EXECUTIVE SUMMARY

SUMMARY ANALYSIS

While the ongoing disconnect between pay and performance warrants continued vigilance, we acknowledge that our concerns are sufficiently mitigated for the year in review when considering the Company's size and pay levels which are largely aligned with the median of the peers used in our quantitative analysis. Further, the overall structure of the compensation program is reasonable. Given these considerations, we do not believe that a vote against this proposal is warranted.

COMPENSATION HIGHLIGHTS

- STI: Performance-based; most recent awards paid out above target
- LTI: Performance-based and time-based; most recently completed performance cycle paid out above target
- One-time: None granted during the past fiscal year

MATERIAL CHANGES

- As disclosed last year, the Company eliminated stock options from the LTIP, and increased the allocations of performance shares and RSUs, to 70% and 30%, respectively. Previously, 50% was allocated to PSUs and 25% was allocated to RSUs.

SUMMARY COMPENSATION TABLE

NAMED EXECUTIVE OFFICERS	BASE SALARY	BONUS & NEIP	EQUITY AWARDS	TOTAL COMP
Mark Lashier *Chairman and Chief Executive Officer*	$1,683,333	$3,447,467	$16,016,443	$22,586,946
Kevin Mitchell *Executive Vice President and Chief Financial Officer*	$1,016,100	$1,300,608	$5,397,887	$8,343,871
Brian Mandell *Executive Vice President, Marketing and Commercial*	$871,235	$1,003,663	$4,364,387	$8,383,952
Richard Harbison *Executive Vice President, Refining*	$838,750	$966,240	$3,991,630	$7,444,173
Vanessa A. Sutherland *Executive Vice President, Government Affairs, General Counsel and Corporate Secretary*	$834,531	$956,929	$3,921,480	$6,055,033
Tim Roberts *Former Executive Vice President, Midstream and Chemicals*	$550,847	$634,576	$4,564,943	$5,945,813
			CEO to Avg NEO Pay:	3.12: 1

CEO SUMMARY

	2024 MARK LASHIER	2023 MARK LASHIER
Total CEO Compensation	$22,586,946	$19,409,262
1-year TSR	-11.6%	33.1%
CEO to Peer Median *	1.1:1	0.9:1
Fixed/Perf.-Based/Discretionary **	11.6% / 69.9% / 18.5%	12.3% / 56.1% / 31.6%

* Calculated using Company-disclosed peers. ** Percentages based on the CEO Compensation Breakdown values.

CEO COMPENSATION BREAKDOWN

FIXED	**Cash**		**$2.6M**
	Salary		$1.7M
	Benefits / Other		$869,986
		Total Fixed	$2.6M

PERFORMANCE-BASED	**Performance Shares**		**$11.9M**
	Long-term Incentive Plan		$11.9M
	Target/Maximum	80,937 shares / 161,874 shares	
	Metrics	TSR, Adjusted PSP ROCE	
	Performance Period	3 years	
	Additional Vesting / Deferral Period	-	
	Cash		**$3.4M**
	Short-term Incentive Plan		$3.4M
	Target/Maximum	$2.7M / $5.4M	
	Metrics	Total Recordable Rate (TRR), Agency Reportable Event Rate, High-Performing Organization, Available to Run, Adjusted VCIP Controllable Costs, Adjusted VCIP EBITDA, PSE Rate - Tier 1 & 2 - Refining, PSE Rate - Tier 1 & 2 - Pipelines, Lower-Carbon / GHG Priorities	
	Performance Period	1 year	
	Additional Vesting / Deferral Period	-	
		Total Performance-Based	$15.4M

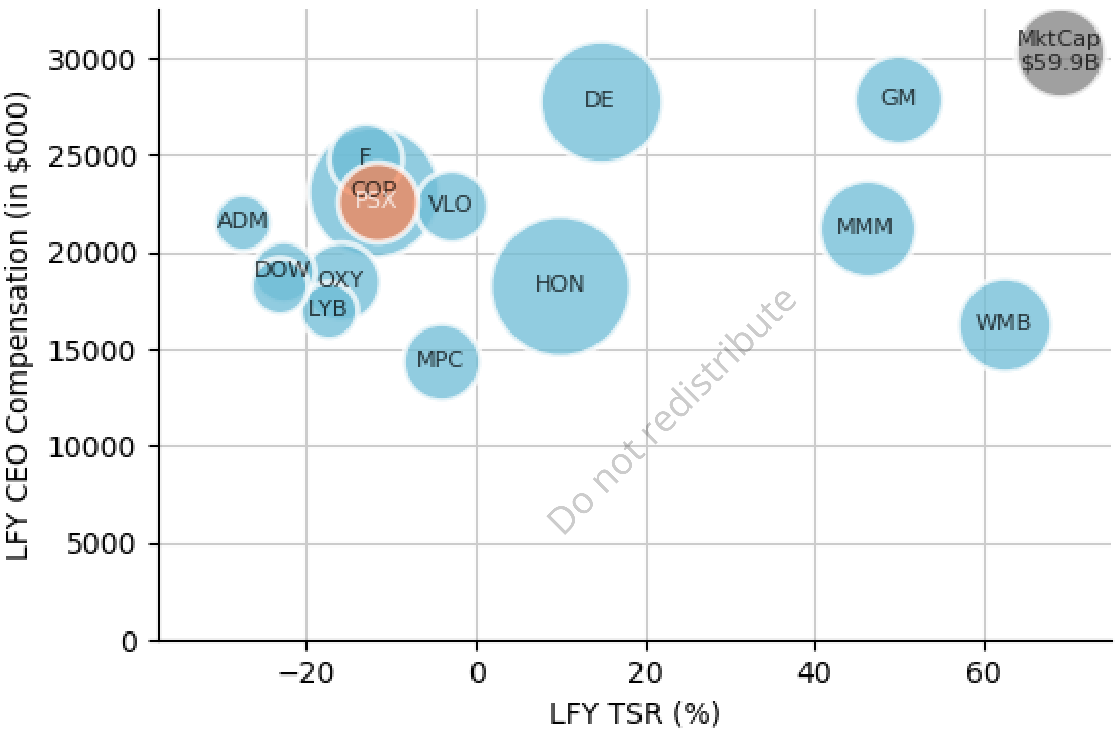
TIME-VESTING/ DISCRETIONARY	**RSUs**		**$4.1M**
	Long-term Incentive Plan		$4.1M
	Vesting / Deferral Period	3 years (cliff)	
		Total Time-Vesting/Discretionary	$4.1M

Awarded Incentive Pay	**$19.5M**
Total Pay Excluding change in pension value and NQDCE	**$22.0M**

PEER GROUP REVIEW [1 2 3 4]

The Company benchmarks NEO compensation to a peer group consisting of 14 companies. Total NEO compensation is not benchmarked to a specific percentile of the peer group.

	MARKET CAP	REVENUE	CEO COMP	1-YEAR TSR	3-YEAR TSR	5-YEAR TSR
75th PERCENTILE OF PEER GROUP	$70.3B	$124.0B	$23.1M	14.6%	20.9%	12.9%
MEDIAN OF PEER GROUP	$45.6B	$47.2B	$20.1M	-8.1%	6.4%	6.5%
25th PERCENTILE OF PEER GROUP	$28.2B	$26.7B	$18.3M	-17.4%	-2.3%	3.8%
COMPANY	$47.1B (53rd %ile)	$143.2B (82nd %ile)	$22.6M (69th %ile)	-11.6% (47th %ile)	20.7% (73rd %ile)	4.8% (27th %ile)



1 Market capitalization figures are as of fiscal year end dates. *Source: Capital IQ*

2 Annual revenue figures are as of fiscal year end dates. *Source: Capital IQ*

3 Annualized TSR figures are as of fiscal year end dates. *Source: Capital IQ*

4 Annual CEO compensation data based on the most recent proxy statement for each company.

EXECUTIVE COMPENSATION STRUCTURE - SYNOPSIS

FIXED

Mr. Harbison's base salary increased by more than 20% during the past fiscal year to better align his total compensation with market levels for the executive vice president, refining role.

SHORT-TERM INCENTIVES

STI PLAN

AWARDS GRANTED (PAST FY)	*Cash*
TARGET PAYOUTS	*$2,693,334 for the CEO and up to $1,016,100 for the other NEOs*
MAXIMUM PAYOUTS	*$5,386,668 for the CEO and up to $2,032,200 for the other NEOs*
ACTUAL PAYOUTS	*$3,447,467 for the CEO and up to $1,300,608 for the other NEOs*

Performance is measured over one year.

High-performing organization is measured across three categories: (i) performance; (ii) capability and (iii) culture.

*The performance targets for the TRR and the PSE Rate metrics are based on results of the top performing companies in the Company's industry, with the companies generally falling in the top two quartiles of all companies reported. Threshold, target and maximum goals are then based on the performance (25th, 50th and 75th percentiles) of this group.

METRICS FOR SAFETY		AVAILABLE TO RUN	PSE RATE - TIER 1 & 2 - REFINING	PSE RATE - TIER 1 & 2 - PIPELINES	TOTAL RECORDABLE RATE (TRR)
		Absolute	Absolute/Relative*	Absolute/Relative*	Absolute/Relative*
	Weighting	10%	5.0%	2.5%	7.5%
	Threshold Performance	94.2%	0.21	0.78	0.18
	Target Performance	95.7%	0.18	0.65	0.15
	Maximum Performance	97.2%	0.15	0.52	0.12
	Actual Performance	98.2%	0.18	0.75	0.12

METRICS FOR FINANCIAL PERFORMANCE		ADJUSTED VCIP EBITDA	ADJUSTED VCIP CONTROLLABLE COSTS
		Absolute	Absolute
	Weighting	40%	10%
	Threshold Performance	$4.6B	$6.2B
	Target Performance	$7.9B	$5.9B
	Maximum Performance	$8.8B	$5.6B
	Actual Performance	$7.3B	$6.2B

METRICS FOR ENVIRONMENT & OTHER		HIGH-PERFORMING ORGANIZATION	LOWER-CARBON / GHG PRIORITIES	AGENCY REPORTABLE EVENT RATE
		Absolute	Absolute	Absolute
	Weighting	10%	10%	5%
	Threshold Performance	N/A	N/A	0.13
	Target Performance	N/A	N/A	0.10
	Maximum Performance	N/A	N/A	0.08
	Actual Performance	200% of target	150% of target	0.07

LONG-TERM INCENTIVES

LTI PLAN

AWARDS GRANTED (PAST FY)	*Performance shares and RSUs*
TARGET PAYOUTS	*Performance Shares: 80,937 shares for the CEO and up to 27,249 shares for the other NEOs*
MAXIMUM PAYOUTS	*Performance Shares: 161,874 shares for the CEO and up to 54,498 shares for the other NEOs*
TIME-VESTING PAYOUTS	*RSUs: 27,666 shares for the CEO and up to 9,301 shares for the other NEOs*

Performance share performance is measured over three years.

RSU awards vest over three years.

The value of an NEO's annual equity grant may be adjusted +/-30% from the target amount based on the committee's assessment of their individual performance. For 2024, Mr. Mandell received a +20% increase and Mr. Harbison, Ms. Sutherland and Mr. Roberts each received a +10% increase.

TSR is measured against the Company's self-disclosed Performance Peer Group and the return of the S&P 100 Index. If the absolute TSR over the performance period is negative, payout is capped at target regardless of relative performance.

In May 2024, Mr. Lashier was appointed chair of the board. In recognition of his additional leadership role and market levels of compensation for the combined CEO and chair of the board role, the committee approved an $850,000 increase to his target LTIP award. An additional grant was deliviered in May 2024 to reflect this increased opportunity, and is included in the values displayed above.

METRICS FOR PERFORMANCE SHARES		ADJUSTED PSP ROCE	TSR
		Absolute	Relative
	Weighting	50%	50%
	Threshold Performance	3.5%	15th %ile
	Target Performance	8.5%	54th %ile
	Maximum Performance	10%	92nd %ile

Note: Performance-based allocation for the CEO is at least 60% based on Glass Lewis calculations.

RISK-MITIGATING POLICIES

CLAWBACK POLICY	*Yes - expanded policy (not strictly restatement-dependent)*
ANTI-HEDGING POLICY	*Yes*
STOCK OWNERSHIP GUIDELINES	*Yes - all NEOs*

SEPARATION & CIC BENEFITS

HIGHEST SEVERANCE ENTITLEMENT	*3x base salary and bonus*
CIC EQUITY TREATMENT	*Double-trigger acceleration*
EXCISE TAX GROSS-UPS	*No*

OTHER FEATURES

LFY CEO TO MEDIAN EMPLOYEE PAY RATIO	*132:1**
E&S METRICS FOR THE CEO	*Safety, Environment, Human Capital Management and Climate*
BENCHMARK FOR CEO PAY	*No specific benchmark*

*The Company-disclosed median employee pay for the year in review was $171,593.

OTHER COMPENSATION DISCLOSURES

COMPENSATION ACTUALLY PAID (YEAR-END CEO)	*$20,026,633 for FY2024 and $34,732,785 for the prior fiscal year*
REPORTED TSR*	*$126.22 for FY2024 and $145.45 for the prior fiscal year*

KEY PVP METRICS	*Adjusted VCIP EBITDA, adjusted VCIP controllable costs, adjusted PSP ROCE and 3-year relative TSR*

*Reported TSR reflects the year-end value of an initial fixed $100 investment at the start of the required reporting period under SEC Pay Vs Performance (PVP) disclosure rules.

GLASS LEWIS ANALYSIS

This proposal seeks shareholder approval of a non-binding, advisory vote on the Company's executive compensation. Glass Lewis believes firms should fully disclose and explain all aspects of their executives' compensation in such a way that shareholders can comprehend and analyze the company's policies and procedures. In completing our assessment, we consider, among other factors, the appropriateness of performance targets and metrics, how such goals and metrics are used to improve Company performance, the peer group against which the Company believes it is competing, whether incentive schemes encourage prudent risk management and the board's adherence to market best practices. Furthermore, we also emphasize and evaluate the extent to which the Company links executive pay with performance.

PROGRAM FEATURES [1]

POSITIVE

- LTIP performance-based
- STIP performance-based
- STI-LTI payout balance
- No single-trigger CIC benefits
- Anti-hedging policy
- Enhanced clawback policy for NEOs
- Executive stock ownership guidelines for NEOs

NEGATIVE

- Disconnect between pay and performance

[1] Both positive and negative compensation features are ranked according to Glass Lewis' view of their importance or severity

AREAS OF FOCUS

OTHER ISSUES

Significant Increase in Fixed Pay for Mr. Harbison
Policy Perspective: Glass Lewis views high raises in fixed pay with skepticism, as such payments are not directly linked to performance. Further, these raises may have a compounding effect on short- and long-term incentive payouts, as such awards are often targeted as a percentage of base salary.

2024 PAY FOR PERFORMANCE: D

Policy Perspective: "D" grades in the Glass Lewis pay-for-performance model indicate a disconnect between pay and performance, with some deficit between a company's performance ranking relative to executive pay levels among peers.

Analyst Comment: While rising compensation levels for the CEO warrant monitoring, with the CEO's target direct compensation increasing approximately 11% year-over-year, we acknowledge Mr. Lashier's growing tenure in the position and that his compensation remains largely in line with the median of the peers used in our quantitative analysis. Concurrent with the increase, was also an increase in the allocation of performance shares under the LTIP from 50% in 2023 to 70% in 2024. Further, such increases followed a strong year of TSR performance in 2023, with the Company's TSR being 33.1% and the highest among its self-disclosed peer group. We note that this performance did not hold for the year in review, and shareholders should scrutinize further increases to his compensation in 2025.

However, compensation levels should be further contextualized by the Company's size, with revenues at the 94th percentile of the peer group used in our analysis, though we acknowledge that the Company's market capitalization lags the group. This holds true of the Company's self-disclosed peer group, with the CEO's reported compensation placing him at the 69th percentile, but revenues placing the Company at the 82nd percentile. Given the above, we do not believe that disconnect, on its own, warrants shareholders voting against this proposal. We will continue to closely monitor the trajectory of the alignment between pay and performance moving forward.

CONCLUSION

We recommend that shareholders vote **FOR** this proposal.

4.00: FREQUENCY OF ADVISORY VOTE ON EXECUTIVE COMPENSATION

1 YEAR

PROPOSAL REQUEST:	To determine the frequency of future advisory votes on executive compensation	**RECOMMENDATIONS & CONCERNS:**	
BINDING/ADVISORY:	Advisory	**1 YEAR-**	Annual advisory is in the best interests of shareholders.
REQUIRED TO APPROVE:	Plurality		

PROPOSAL SUMMARY

Shareholders may indicate whether they want the advisory vote to occur every one, two or three years. Under Section 14A(a)(2) of the Exchange Act, companies are required to submit for shareholder consideration resolutions on the frequency of such votes at least once every six years.

This is a non-binding vote, meaning that the board may decide that it is in the best interest of shareholders to hold the vote more or less frequently.

BOARD'S PERSPECTIVE

The board asks shareholders to support a frequency of every one year for future advisory votes on executive compensation.

GLASS LEWIS ANALYSIS

Glass Lewis believes that the advisory vote on executive compensation serves as an effective mechanism for promoting dialogue between investors and company management and directors, enhancing transparency in setting executive pay, improving accountability to shareholders, and providing for a more effective link between pay and performance. In cases where shareholders believe the Company’s compensation packages may be excessive, we believe such a vote may compel the board to re-examine, and hopefully improve, its compensation practices.

In our view, shareholders should be allowed to vote on the compensation of executives annually. We believe that the time and financial burdens to a company with regard to an annual vote are outweighed by the benefits to shareholders and the increased accountability. Implementing biennial or triennial votes on executive compensation limits shareholders’ ability to hold the board accountable for its compensation practices through means other than voting against the compensation committee. For this reason, unless a company provides compelling arguments otherwise, we will generally recommend that shareholders support the holding of advisory votes on executive compensation every year.

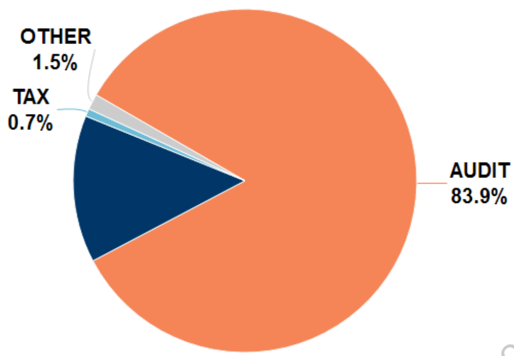
In this case, we agree with the board that an annual advisory vote on executive compensation is in the best interests of shareholders.

We recommend that shareholders vote for the advisory vote on executive compensation frequency of **ONE YEAR**.

5.00: RATIFICATION OF AUDITOR

FOR

PROPOSAL REQUEST:	Ratification of Ernst & Young	**RECOMMENDATIONS & CONCERNS:**	
PRIOR YEAR VOTE RESULT (FOR):	98.6%	**FOR-**	No material concerns
BINDING/ADVISORY:	Advisory		
REQUIRED TO APPROVE:	Majority of votes cast		
AUDITOR OPINION:	Unqualified		



AUDITOR FEES

	2024	2023	2022
Audit Fees:	$11,500,000	$9,000,000	$12,200,000
Audit-Related Fees:	$1,900,000	$500,000	$500,000
Tax Fees:	$100,000	$ 0	$300,000
All Other Fees:	$200,000	$500,000	$100,000
Total Fees:	$13,700,000	$10,000,000	$13,100,000
Auditor:	Ernst & Young	Ernst & Young	Ernst & Young
1-Year Total Fees Change:		37.0%	
2-Year Total Fees Change:		4.6%	
2024 Fees as % of Revenue*:		0.010%	

* Annual revenue as of most recently reported fiscal year end date. *Source: Capital IQ*

Years Serving Company:	14
Restatement in Past 12 Months:	No
Alternative Dispute Resolution:	No
Auditor Liability Caps:	No
Lead Audit Partner:	John Leland King
Critical Audit Matter:	1 • Impairment assessment of WRB Refining LP, an equity method investment

GLASS LEWIS ANALYSIS

The fees paid for non-audit-related services are reasonable and the Company discloses appropriate information about these services in its filings.

We recommend that shareholders vote **FOR** the ratification of the appointment of Ernst & Young as the Company's auditor for fiscal year 2025.

6.00: SHAREHOLDER PROPOSAL REGARDING ANNUAL DIRECTOR ELECTIONS

FOR

PROPOSAL REQUEST:	That all directors stand for election on an annual basis	**SHAREHOLDER PROPONENT:**	Elliott
BINDING/ADVISORY:	Precatory		
PRIOR YEAR VOTE RESULT (FOR):	N/A	**REQUIRED TO APPROVE:**	Majority of votes cast

RECOMMENDATIONS, CONCERNS & SUMMARY OF REASONING:

FOR -
- The annual election of directors provides maximum accountability of directors to shareholders

GLASS LEWIS REASONING

- We believe that shareholders are best served by a board where all directors are elected on an annual basis, a sentiment that appears to be echoed by both the Company and its shareholders, as evidenced by the overwhelming support for the Company's last five proposals seeking this end; and
- Given the restrictive nature of the Company's governing documents, we believe that adoption of this advisory proposal would further signal shareholders' support for their being allowed to voice their opinion on each director on an annual basis and could lead to that end.

PROPOSAL SUMMARY

Text of Resolution: *RESOLVED, that stockholders request that the Board adopt an annual election policy for directors, requiring each incumbent director (including directors with terms not set to expire at the next annual meeting) to deliver to the Board a letter of resignation effective at the next annual meeting of stockholders, each year prior to the nomination of director candidates for election at the annual meeting.*

Proponent's Perspective

- The board is divided into three classes, with directors serving staggered three-year terms;
- The annual election of directors is critical to maintaining board and management accountability to shareholders and to good corporate governance in line with generally accepted best practices, and implementing the annual election of directors at the Company would serve to improve overall corporate governance, and incentivize the creation of shareholder value, at the Company;
- In 2015, 2016, 2018, 2021, and 2023, the Company submitted proposals to amend the charter to declassify the board, and in 2023, 99% of shareholders present at the meeting approved the declassification proposal, but the affirmative vote of the holders of 80% of the outstanding shares of stock entitled to vote is required to amend the relevant provisions of the charter, and the declassification proposal did not reach that threshold;
- The board's repeated submission of declassification proposals and the overwhelming support those proposals received from shareholders clearly demonstrate that the board and shareholders are aligned on the desire to implement annual director elections, in accordance with generally accepted best practices;
- Adoption of this proposal would offer the Company a pathway to hold elections for all directors annually, commencing with the 2026 annual meeting;
- The board would have flexibility in determining how to design the annual election policy in line with the goals of promoting the election of all directors at each annual meeting, and maintaining an orderly director nomination and election process, in compliance with applicable law;
- The annual election policy could function in a manner similar to director resignation policies that are commonly seen in public company corporate governance guidelines;
- Adoption of this proposal would not modify the Company's governing documents and would not actually change the classes or terms of board members, which would require amendments to the relevant provisions of the charter and the bylaws, but would clearly state the board's view as to how directors should act, in line with corporate governance best practices;
- The effectiveness of the annual election policy in achieving annual

Board's Perspective

- Article FIFTH of the Company's Certificate of Incorporation clearly states "[t]he directors, other than those who may be elected by the holders of any series of Preferred Stock under specified circumstances, shall be divided, with respect to the time for which they severally hold office, into three classes, as nearly equal in number as is reasonably possible, each with a term of office to expire at the third succeeding annual meeting of stockholders after their election, with each director to hold office until his or her successor shall have been duly elected and qualified";
- Article FOURTH of the Company's Certificate of Incorporation states that "[t]he affirmative vote of shares representing not less than 80% of the votes entitled to be cast by the Voting Stock shall be required to alter, amend or adopt any provision inconsistent with or repeal … Article FIFTH," and the Company's bylaws contain similar language;
- This proposal requiring annual director resignations contravenes well-settled principles of Delaware corporate law and would be highly unlikely to withstand scrutiny in Delaware courts;
- Delaware courts have clearly held that a bylaw cannot abrogate provisions of a Company's charter, and this proposal is not implemented via a change to the bylaws, but rather an even lower order legal action, namely, the adoption of a policy as part of the Company's corporate governance guidelines or otherwise;
- The Company's Certificate of Incorporation and bylaws would prevail over the requested policy, leading the Company's attempt to adopt this proposal to be highly at risk of being rendered null and void, and potentially subjecting the Company to costly litigation and reputational damage;
- The Company's Certificate of Incorporation is clear that the Company does not have the power or authority to "adopt any provision inconsistent with or repeal" the classified board structure in the absence of the required shareholder approval;
- The Company's governing documents currently impose a classified board with three-year terms and, for that reason, a policy requiring directors to resign annually is inherently not in compliance with applicable law; and
- Adoption of this proposal would make the board have to devise

director elections at the Company would depend on its existing directors with terms not set to expire at the next meeting actually delivering their resignations in line with the policy;

- If a director with a term not set to expire at the next annual meeting does not deliver a resignation, they would not be subject to election at the next annual meeting and would continue to serve on the board, but the board and its committees would take failure to comply with a board policy into account when making decisions regarding future director nominations;
- The proponent supports the Company's proposal to amend the charter to declassify the board, and if the Company's governing documents are amended to declassify the board and the board becomes annually elected, the annual election policy would become moot; and
- Unless and until the Company's governing documents are amended, and all board seats are up for election at each annual meeting, the annual election policy would remain an important measure to promote accountability, and align with shareholder preferences and governance best practices.

a way to evade the Company's governing documents, and such actions would not be in the best interests of the Company and its shareholders.

GLASS LEWIS ANALYSIS

Glass Lewis believes that classified boards (staggered boards) do not serve the best interests of shareholders. Empirical studies have shown that: (i) companies with classified boards may show a reduction in the firm's value; (ii) in the context of hostile takeovers, classified boards operate as a takeover defense, which entrenches management, discourages potential acquirers and delivers less return to shareholders; and (iii) companies with classified boards are less likely to receive takeover bids than those with single class boards. Glass Lewis also believes that the annual election of directors provides maximum accountability of directors to shareholders and requires directors to focus on the interests of shareholders.

This proposal is ultimately seeking to de-stagger the board through somewhat novel means. The Company maintains supermajority vote provisions that require approval of 80% of shares outstanding to amend its certificate of incorporation. Although the Company has submitted proposals seeking to declassify its board in 2015, 2016, 2018, 2021, and 2023, none have received requisite approval. In nearly all circumstances when these proposals were submitted to a vote, they received 99% approval of votes cast, but this has only represented between 70-73% of votes outstanding. Accordingly, while shareholders appear to be overwhelmingly supportive of these initiatives, the restrictive nature of the Company's governing documents make amendments thereto nearly impossible. This proposal is aimed at overcoming these restrictions.

Specifically, this proposal would require the board to adopt a policy requiring each director to annually submit a resignation to the board and then subsequently stand for election, which would function, in practical effect, as a declassified board. The Company states that this provision would contravene Delaware corporate law and "would be highly unlikely to withstand scrutiny in Delaware courts." However, some legal scholars have argued that the proposed provision has merit and that the Company's charter or bylaws do not prevent directors from voluntarily offering to resign..(We note that the proponent explains that, under its proposed policy, "if a director with a term not set to expire at the next annual meeting does not deliver a resignation, they would not be subject to election at the next annual meeting and would continue to serve on the board"). Other scholars disagree. Ultimately, this may be an issue that is best determined by the court should this measure receive shareholder approval.

We understand that this approach is novel and puts the Company's shareholders in the uncomfortable position of being confronted with competing interpretations of Delaware law by the proponent and the Company. However, we believe that support for this proposal could still be warranted. In our view, shareholders are best served by a board where all directors are elected on an annual basis. Moreover, this sentiment appears to be echoed by both the Company and its shareholders, as evidenced by the overwhelming support for the Company's last five proposals seeking this end. However, given the apparently intractable situation created by the Company's restrictive governing documents, there does not appear to be another mechanism to ensure that shareholders are able to voice their opinions on all members of the board annually.. We, therefore, believe support for this proposal is warranted in these unusual, if not unique, circumstances. Moreover, this proposal is advisory in nature, meaning that the Company has some latitude in the policy it implements, and is not bound by this policy should it not withstand legal scrutiny. As such, we believe that support would continue to signal to the Company that the adoption of a de-staggered board remains a priority to investors and that adoption of a policy that effectuates this structure would be in shareholders' best interests.

We recommend that shareholders vote **FOR** this proposal.

COMPETITORS / PEER COMPARISON

	PHILLIPS 66	3M COMPANY	CONOCOPHILLIPS	HONEYWELL INTERNATIONAL INC.
Company Data (MCD)				
Ticker	PSX	MMM	COP	HON
Closing Price	$106.90	$140.80	$87.61	$214.25
Shares Outstanding (mm)	407.6	538.2	1,264.2	642.7
Market Capitalization (mm)	$43,570.5	$75,775.9	$110,753.5	$137,694.8
Enterprise Value (mm)	$61,964.5	$83,642.9	$130,494.5	$162,596.8
Latest Filing (Fiscal Period End Date)	03/31/25	03/31/25	12/31/24	03/31/25
Financial Strength (LTM)				
Current Ratio	1.2x	1.7x	1.3x	1.3x
Debt-Equity Ratio	0.66x	3.12x	0.39x	1.89x
Profitability & Margin Analysis (LTM)				
Revenue (mm)	$137,772.0	$24,513.0	$56,450.0	$39,215.0
Gross Profit Margin	9.1%	41.2%	49.0%	38.1%
Operating Income Margin	0.8%	16.9%	26.0%	21.3%
Net Income Margin	1.3%	17.8%	16.4%	14.5%
Return on Equity	6.6%	93.8%	16.2%	32.7%
Return on Assets	1.0%	5.4%	8.4%	7.4%
Valuation Multiples (LTM)				
Price/Earnings Ratio	24.2x	17.7x	11.7x	24.6x
Total Enterprise Value/Revenue	0.4x	3.4x	2.3x	4.1x
Total Enterprise Value/EBIT	54.9x	20.2x	8.9x	19.5x
Growth Rate* (LTM)				
5 Year Revenue Growth Rate	5.6%	-5.4%	11.1%	1.6%
5 Year EPS Growth Rate	39.9%	-1.2%	4.1%	-0.0%
Stock Performance (MCD)				
1 Year Stock Performance	-26.3%	45.8%	-29.1%	9.9%
3 Year Stock Performance	10.9%	-5.8%	-18.6%	9.6%
5 Year Stock Performance	48.7%	-3.7%	116.4%	61.0%

Source: Capital IQ

MCD (Market Close Date): Calculations are based on the period ending on the market close date, 05/06/25.
LTM (Last Twelve Months): Calculations are based on the twelve-month period ending with the Latest Filing.
*Growth rates are calculated based on a compound annual growth rate method.
A dash ("-") indicates a datapoint is either not available or not meaningful.

VOTE RESULTS FROM LAST ANNUAL MEETING MAY 15, 2024

Source: 8-K (sec.gov) dated May 17, 2024

RESULTS

NO.	PROPOSAL	FOR	AGAINST/WITHHELD	ABSTAIN	GLC REC
1.1	Elect Julie L. Bushman	91.27%	8.31%	0.43%	For
1.2	Elect Lisa A. Davis	89.88%	9.71%	0.42%	For
1.3	Elect Mark E. Lashier	90.07%	9.52%	0.41%	For
1.4	Elect Douglas T. Terreson	92.57%	7.00%	0.43%	For
2.0	Advisory Vote on Executive Compensation	92.71%	6.61%	0.68%	For
3.0	Ratification of Auditor	98.62%	1.15%	0.23%	For

SHAREHOLDER PROPOSALS*

NO.	PROPOSAL	FOR	AGAINST	GLC REC
4.0	Shareholder Proposal Regarding Virgin Plastic Demand	11.75%	88.25%	Against

*Abstentions excluded from shareholder proposal calculations.

APPENDIX

GLASS LEWIS PEERS VS PEERS DISCLOSED BY COMPANY

GLASS LEWIS	PSX
3M Company* Caterpillar Inc. Cheniere Energy, Inc. Chevron Corporation ConocoPhillips* EOG Resources, Inc. Hess Corporation Honeywell International Inc.* Lockheed Martin Corporation LyondellBasell Industries N.V.* Marathon Petroleum Corporation* Occidental Petroleum Corporation* RTX Corporation The Williams Companies, Inc.* Valero Energy Corporation*	Archer-Daniels-Midland Company Deere & Company Dow Inc Ford Motor Company General Motors Company Halliburton Company

**ALSO DISCLOSED BY PSX*

QUESTIONS

Questions or comments about this report, GL policies, methodologies or data? Contact your client service representative or go to www.glasslewis.com/public-company-overview/ for information and contact directions.

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PARTNER INSIGHTS

The pages following this appendix are included with this Proxy Paper report for informational purposes only. They contain data and insights produced by Glass Lewis' strategic business partners and none of the information included therein is a factor in Glass Lewis' analyses or vote recommendations.

About ESG Book

ESG Book is a global leader in sustainability data and technology. Launched in 2018, the company offers a wide range of sustainability-related data, scoring, and technology products that are used by many of the world's leading investors and companies. Covering over 35,000 companies, ESG Book's product offering includes ESG raw data, company-level and portfolio-level scores and ratings, analytics tools, and a SaaS data management and disclosure platform. ESG Book's solutions cover the full spectrum of sustainable investing including ESG, climate, net-zero, regulatory, and impact products. Read more on: www.esgbook.com.

SUSTAINALYTICS ESG PROFILE

ESG Risk Rating

Negligible | Low | Med | **High** | Severe

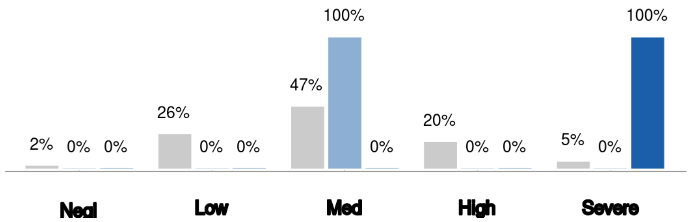
All data and ratings provided by: SUSTAINALYTICS

Data Received On: **May 07, 2025**

Rating Overview

The company is at high risk of experiencing material financial impacts from ESG factors, due to its high exposure and strong management of material ESG issues. Notably, its overall risk is higher since it is materially exposed to more ESG issues than most companies in our universe. The company is noted for its strong corporate governance performance, which is reducing its overall risk. The company is noted for its strong stakeholder governance performance, which is reducing its overall risk. The company has experienced a moderate level of controversies.

ESG Risk Rating Distribution



Relative Performance

	Rank*	Percentile*
Global Universe	10696 of 14631	**73rd**
Refiners & Pipelines (Industry Group)	62 of 179	**35th**
Oil & Gas Refining and Marketing (Subindustry)	25 of 85	**29th**

** 1st = lowest risk*

Exposure to ESG Risk

Low | Medium | **High**

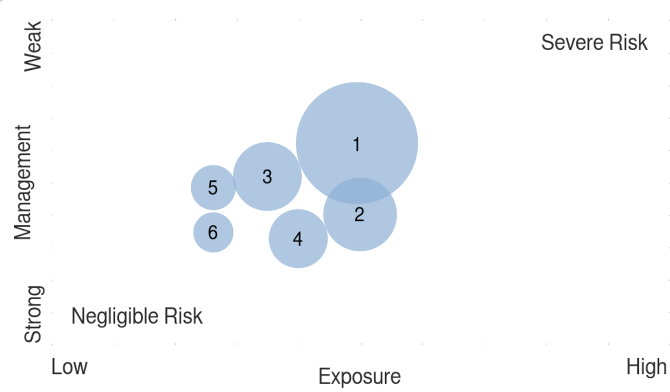
Management of ESG Risk

Strong | Average | Weak

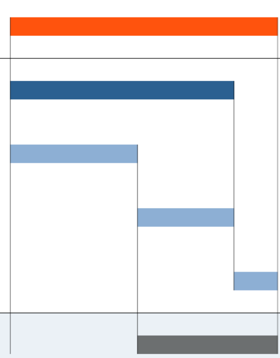
Top Material Issues

	Top Material Issues	ESG Risk Rating
1	Carbon - Products and Services	High
2	Carbon - Own Operations	Med
3	Occupational Health and Safety	Low
4	Community Relations	Low
5	Resource Use	Low

▲ = *Noteworthy Controversy Level*



Risk Details



Exposure	
Company Exposure	The company's sensitivity or vulnerability to ESG risks.
Management	
Manageable Risk	Material ESG risk that can be influenced and managed through suitable policies, programmes and initiatives.
Managed Risk	Material ESG risk that has been managed by a company through suitable policies, programmes or initiatives.
Management Gap	Measures the difference between material ESG risk that could be managed by the company and what the company is managing.
Unmanageable Risk	Material ESG risk inherent in the products or services of a company and/or the nature of a company's business, which cannot be managed by the company.
ESG Risk Rating	
Overall Unmanaged Risk	Material ESG risk that has not been managed by a company, and includes two types of risk: unmanageable risk, as well as risks that could be managed by a company through suitable initiatives but which may not yet be managed.

NOTEWORTHY CONTROVERSIES

SEVERE

The Event has a severe impact on the environment and society, posing serious business risks to the company. This category represents exceptional egregious corporate behavior, high frequency of recurrence of incidents, very poor management of ESG risks, and a demonstrated lack of willingness by the company to address such risks.

- **No severe controversies**

HIGH

The Event has a high impact on the environment and society, posing high business risks to the company. This rating level represents systemic and/or structural problems within the company, weak management systems and company response, and a recurrence of incidents.

- **No high controversies**

SIGNIFICANT

The Event has a significant impact on the environment and society, posing significant business risks to the company. This rating level represents evidence of structural problems in the company due to recurrence of incidents and inadequate implementation of management systems or the lack of.

- **No significant controversies**

PRODUCT INVOLVEMENT*

Alcoholic Beverages

Range: 0-4.9%

The company derives revenues from the distribution and/or retail sale of alcoholic beverages.

Tobacco

Range: 0-4.9%

The company derives revenues from the distribution and/or retail sale of tobacco products.

NO PRODUCT INVOLVEMENT

Oil Sands · Arctic Drilling · Genetically Modified Plants & Seeds · Pesticides · Adult Entertainment · Gambling · Controversial Weapons · Thermal Coal

* Range values represent the percentage of the Company"s revenue. N/A is shown where Sustainalytics captures only whether or not the Company is involved in the product.

DISCLAIMER

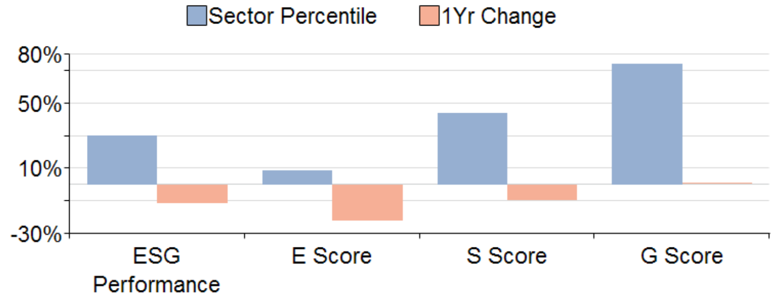
All data and ratings provided by:

SUSTAINALYTICS

https://www.sustainalytics.com/

ESG BOOK PROFILE

Summary of ESG Performance Score



All data and ratings provided by:

esgbook

www.esgbook.com

Country:	United States
Sector:	Energy Minerals
Industry:	Oil Refining/Marketing
Data Received:	2025-03-04

ESG Performance Score Details

The ESG Performance Score provides investors and corporates with a systematic and comprehensive sustainability assessment of corporate entities. The score measures company performance relative to salient sustainability issues across the spectrum of environmental, social and governance. The score is driven by a sector-specific scoring model that emphasises financially material issues, where the definition of financial materiality is inspired by the Sustainability Accounting Standards Board (SASB). For more detail please see the ESG Performance Score methodology here.

ESG Performance Score	
Absolute Score	49.7
Sector Percentile	30.7%
1 Year Change	-10.8%
2 Year Change	0.0%
3 Year Change	-16.8%

	Environmental	Social	Governance
Score	38.1	57.5	61.1
Weight	46.5%	19.7%	33.9%
Sector Percentile	9.0%	44.2%	74.4%
1 Year Change	-21.7%	-9.5%	0.3%

Risk Score Details

The Risk Score provided by ESG Book assesses company exposures relative to universal principles of corporate conduct defined by the UN's Global Compact. The score is accompanied by a transparent methodology and full data disclosure, enabling users to comprehend performance drivers, explain score changes, and explore associated raw data. Tailored for both investors and corporates, it serves as a universe selection tool for investors identifying companies more exposed to critical sustainability issues, while corporates can use it to assess their exposures, conduct peer comparisons, and pinpoint disclosure gaps. For more detail please see the risk score methodology user guide here.

Risk Score	
Absolute Score	52.4
Sector Percentile	44.7%
1 Year Change	-16.1%
2 Year Change	-18.5%
3 Year Change	-19.4%

	Human Rights	Labour Rights	Environment	Anti-corruption
Score	54.3	41.6	54.4	59.5
Weight	25.0%	25.0%	25.0%	25.0%
Sector Percentile	53.3%	32.2%	56.3%	68.8%
1 Year Change	-4.2%	-34.7%	-14.5%	-10.1%

Business Involvements - Over a 5% Revenue Threshold

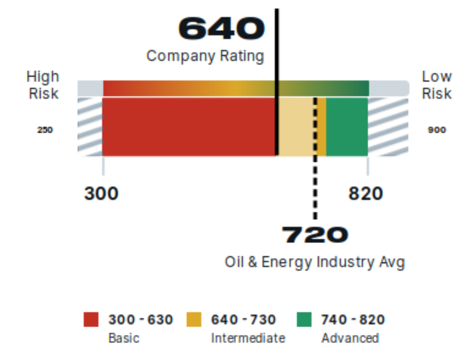
Fossil Fuels

BITSIGHT CYBERSECURITY RATING PROFILE

Phillips 66 Group

COMPARATIVE INDUSTRY:
Oil & Energy

Bitsight Security Rating



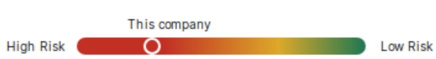
Risk of Ransomware

This company is **4.6x more vulnerable to ransomware** than companies rated 750+

Source: Link to Research

Risk of Security Incidents

This company is **3.2x more vulnerable to security incidents** than companies rated 750+



Source: Link to Research

What is a BitSight Security Rating?

BitSight Security Ratings are a measurement of a company's security performance over time. BitSight Security Ratings are generated through the analysis of externally observable data, leveraging BitSight's proprietary techniques to identify the scope of a company's entire digital footprint. BitSight continuously measures security performance based on evidence of compromised systems, diligence, user behavior, and data breaches to provide an objective, evidence-based measure of performance. This data-driven approach requires no cooperation from the rated company. The Rating is representative of the cybersecurity performance of an entire company, including its subsidiaries, business units, and geographic locations.

EXECUTIVE REPORT

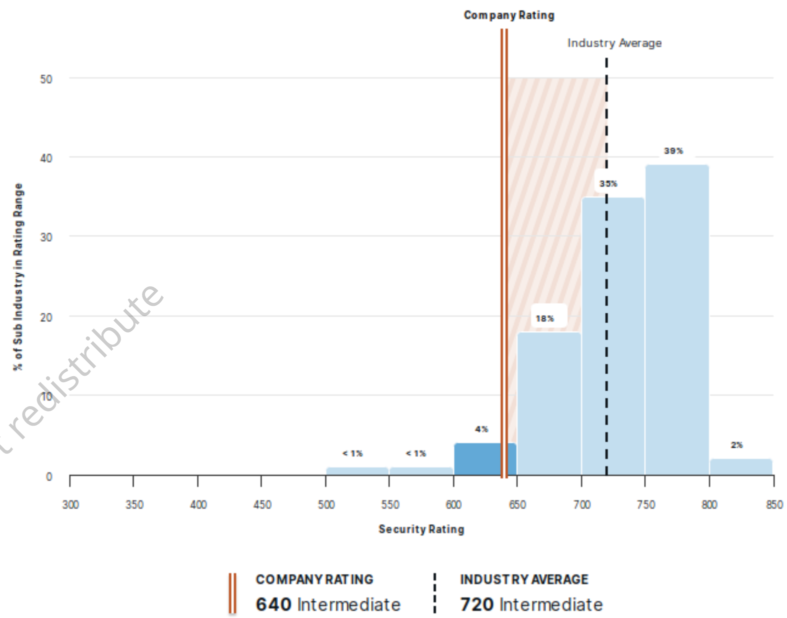
All data and ratings provided by: BITSIGHT

Data Received on: **May 7, 2025**

PEER ANALYTICS

This compares a company against its industry:

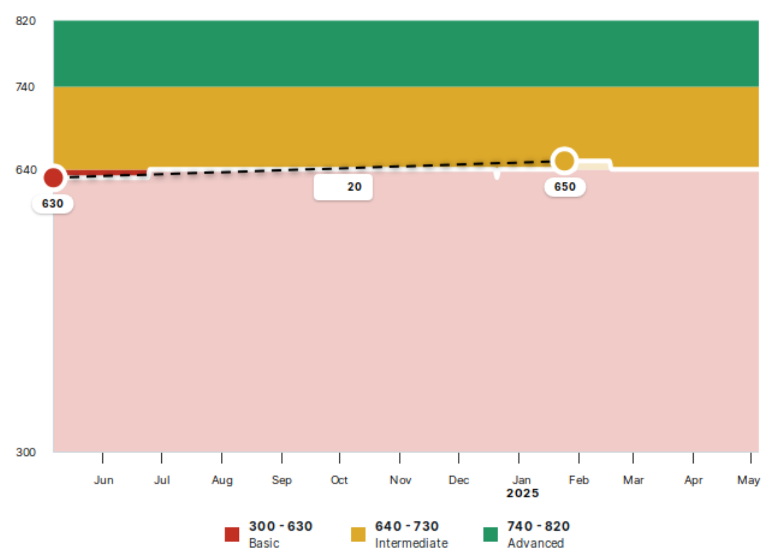
TOTAL COMPANIES	INDUSTRY RATING
6,410	**Bottom 6% of the industry**



PERFORMANCE OVER THE LAST 12 MONTHS

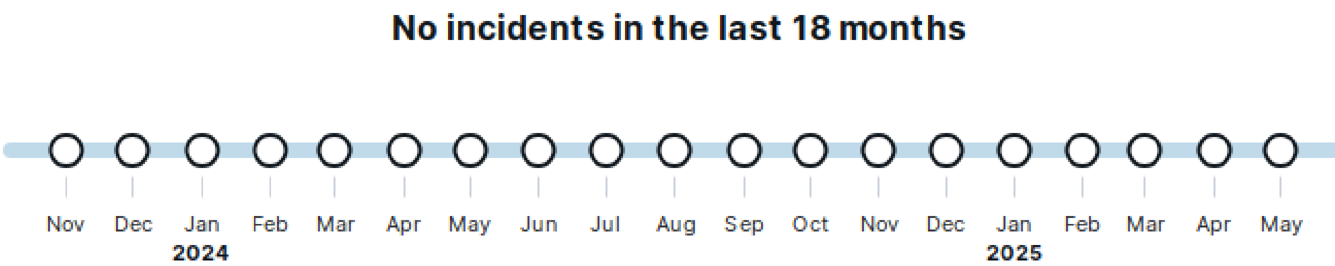
This rating change graph includes all rating changes events, including but not limited to, publicly disclosed security events.

HIGHEST	LOWEST
650 on Jan 25, 2025	**630** on May 06, 2024



PUBLICLY DISCLOSED SECURITY INCIDENTS THE LAST 18 MONTHS

Security incidents are publicly disclosed events of unauthorized access, often involving data loss or theft. These events are graded based on several factors, including the number of data records lost or exposed.



ADDITIONAL INFORMATION

Security Rating Overview

BitSight Security Ratings are a measurement of a company's security performance over time. BitSight Security Ratings are generated through the analysis of externally observable data, leveraging BitSight's proprietary techniques to identify the scope of a company's entire digital footprint. BitSight continuously measures security performance based on evidence of compromised systems, diligence, user behavior, and data breaches to provide an objective, evidence-based measure of performance. This data-driven approach requires no cooperation from the rated company. The Rating is representative of the cybersecurity performance of an entire company, including its subsidiaries, business units, and geographic locations.

In some cases, a company may designate one or more subsidiaries, business units or locations as representative of the company's overall digital footprint. In these cases, BitSight flags those companies in its reports as a Primary Rating, meaning that the company has undertaken this optional step in further articulating its digital footprint.

Companies often use Primary Ratings to exclude parts of their digital infrastructure that may not be useful in describing their cyber risk and resulting security posture. As examples, Primary Ratings often exclude guest wireless networks, security test environments, or networks used for customer hosting. BitSight does not validate Primary Ratings or whether the digital assets organizations exclude in creating Primary Ratings are properly excluded, nor does it validate the predictive quality of Primary Ratings. Go to this web page for more information about Primary Ratings.

BitSight rates companies on a scale of 250 to 900, with 250 being the lowest measure of security performance and 900 being the highest. A portion of the upper and lower edge of this range is currently reserved for future use. The effective range as of this report's generation is 300-820. Go to this web page to learn more about how BitSight security ratings are calculated.

Rating Algorithm Update (RAU)
BitSight periodically makes improvements to its ratings algorithm. These updates often include new observation capabilities, enhancements to reflect the rapidly changing threat landscape, and adjustments to further increase quality and correlation with business outcomes. BitSight's Rating and Methodology Governance Board governs these changes so that they adhere to BitSight's principles and policies. BitSight also has a Policy Review Board which reviews and arbitrates customer disputes associated with its ratings. More information about the Policy Review Board and its cases can be found here. Additionally, BitSight provides a preview of ratings algorithm changes customers (and what the likely impact will be) well before they affect the the live ratings, inviting comments and feedback on these changes.

Publicly Disclosed Security Incidents
The Security Incidents risk vector involves a broad range of events related to the unauthorized access of a company's data. BitSight collects information from a large number of verifiable sources such as news organizations and regulatory reports obtained via Freedom of Information Act requests or local analogs. This risk vector only impacts BitSight Security Ratings if a confirmed incident occurs. For more information about publicly disclosed security incidents and how BitSight ratings are calculated, please go here.

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