

Phillips 66
Form 4
January 12, 2017

FORM 4

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
Garland Greg C.

(Last) (First) (Middle)
2331 CITYWEST BLVD.
(Street)

HOUSTON, TX 77042

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
Phillips 66 [PSX]

3. Date of Earliest Transaction (Month/Day/Year)
09/26/2016

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

Director 10% Owner
 Officer (give title below) Other (specify below)
Chairman and CEO

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price
							\$
Common Stock	09/26/2016		J ⁽¹⁾		500	A	79.47 ⁽²⁾
Common Stock					14,785.977 ⁽³⁾	I	
Restricted Stock Units ^{(4) (5)}					108,421	D	
					84,160	D	

Executor of father's estate ⁽¹⁾
By Phillips 66 Savings Plan

Common
Stock

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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(9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)		
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Employee Stock Option (Right to Buy)	\$ 32.03					<u>(6)</u>	02/09/2022	Common Stock	42,728
Stock Options (Right to Buy)	\$ 62.17					<u>(7)</u>	02/07/2023	Common Stock	158,500
Stock Options (Right to Buy)	\$ 72.255					<u>(8)</u>	02/06/2024	Common Stock	126,300
Employee Stock Option (Right to Buy)	\$ 74.135					<u>(9)</u>	02/03/2025	Common Stock	146,700
Employee Stock Option (Right to Buy)	\$ 78.62					<u>(10)</u>	02/02/2026	Common Stock	169,400
Phantom Stock	<u>(11)</u>					<u>(12)</u>	<u>(12)</u>	Common Stock	12,378.85
	<u>(13)</u>					<u>(13)</u>	<u>(14)</u>		513,181

Performance
Stock Units

Common
Stock

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Garland Greg C. 2331 CITYWEST BLVD. HOUSTON, TX 77042	X		Chairman and CEO	

Signatures

Grant F. Adamson, Attorney-in-Fact (By Power of Attorney filed with the Commission on April 12, 2012)

01/12/2017

__Signature of Reporting Person

Date

Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1) These shares are owned by the estate of Mr. Garland's father. Mr. Garland became the executor of his father's estate on September 26, 2016, and is deemed to own the shares as of that date, despite the fact that it was only recently discovered that the estate owned these shares. Mr. Garland disclaims beneficial ownership of these securities except to the extent of any pecuniary interest he may have therein, and the inclusion of these shares in this report shall not be deemed an admission of beneficial ownership of the reported shares for purposes of Section 16 or for any other purpose.

(2) The deemed acquisition price was determined using the closing price on September 26, 2016.

(3) Includes shares acquired through on-going acquisitions under 401(k) plan and/or routine dividend transactions that are exempt under rule 16a-1.

(4) Restricted Stock Units settle for shares of Phillips 66 common stock on a 1-for-1 basis on the third anniversary of the grant provided performance criteria are met.

(5) The stock units will be forfeited if the reporting person separates from service prior to the end of an escrow period ending on the earliest to occur of the following: (a) termination of employment as a result of layoff; (b) termination of employment after attainment of age 55 with five years of service; (c) termination of employment due to death or total disability; or (d) termination of employment following a change in control. During the escrow period, the reporting person may not dispose of the stock units. The stock units will convert to common stock on the later of (a) the end of the escrow period or (b) the earlier of (i) death or (ii) six months after separation from service in which case the stock units will convert to common stock. The reporting person may also elect to defer conversion of stock units until a later date.

(6) The stock options became exercisable in three equal annual installments beginning February 9, 2013.

(7) The stock options became exercisable in three equal annual installments beginning February 7, 2014.

(8) The stock options became exercisable in three equal annual installments beginning February 6, 2015.

(9) The stock options became exercisable in three equal annual installments beginning February 3, 2016.

(10) The stock options become exercisable in three equal annual installments beginning February 2, 2017.

(11) The shares of phantom stock convert to Phillips 66 stock on a 1-for-1 basis.

(12) The shares of phantom stock were acquired under a Defined Contribution Makeup Plan providing for settlement upon termination of employment, subject to possible deferred payment in certain circumstances. The reporting of this transaction is not an acknowledgment that it is not an exempt transaction under an Excess Benefit Plan pursuant to Rule 16b-3(c).

(13) Performance Stock Units (PSUs) settle for shares of Phillips 66 common stock on a 1-for-1 basis at the end of the escrow period. The escrow period ends on the earliest to occur of: (a) five years; (b) termination of employment as a result of layoff; (c) termination of

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employment after attainment of age 55 with five years of service; (d) termination of employment due to death or total disability; or (e) termination of employment following a change in control. The PSUs will be forfeited if the reporting person separates from service prior to the end of the escrow period for any reason other than those listed above. During the escrow period, the reporting person may not dispose of PSUs. The reporting person may also elect to defer settlement of PSUs until a later date.

(14) The Performance Stock Units do not have an expiration date.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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