

Phillips 66
Form 4
February 13, 2017

FORM 4

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

OMB APPROVAL

OMB Number: 3235-0287
Expires: January 31, 2015
Estimated average burden hours per response... 0.5

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)
02/09/2017

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 Ownership (Instr. 4)			
			Code	V	Amount or Price					
Common Stock	02/09/2017		M		10,724 ⁽¹⁾	A	\$ 0	115,883	D	
Common Stock	02/09/2017		F		4,247	D	\$ 79.305	111,636	D	
Restricted Stock Units ⁽²⁾								108,380	D	
Common Stock								14,827.037	I	By Phillips 66 Savings

Common Stock	500	I	Plan Executor of father's estate
--------------	-----	---	-------------------------------------

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

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

SEC 1474
(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)	Amount Number of Shares
				Code	V (A) (D)	Date Exercisable Expiration Date	Title	
Performance Stock Units	(3)	02/09/2017		M	10,724 (1)	(3) (4)	Common Stock	513
Employee Stock Option (Right to Buy)	\$ 78.475					(5) 02/07/2027	Common Stock	174
Employee Stock Option (Right to Buy)	\$ 78.62					(6) 02/02/2026	Common Stock	169
Employee Stock Option (Right to Buy)	\$ 74.135					(7) 02/03/2025	Common Stock	146
Stock Options (Right to Buy)	\$ 72.255					(8) 02/06/2024	Common Stock	126
Stock Options (Right to Buy)	\$ 62.17					(9) 02/07/2023	Common Stock	158
	\$ 32.03					(10) 02/09/2022		169

Employee Stock Option (Right to Buy)					Common Stock	
Phantom Stock	(11)		(12)	(12)	Common Stock	12,37

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) 02/13/2017

__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) Lapsing of restrictions on Performance Stock Units.
- (2) 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.

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 employment after attainment of age 55 with five years of service; (d) termination of employment due to death or total disability; or (e)
- (3) 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.
- (4) The Performance Stock Units do not have an expiration date.
- (5) The stock options become exercisable in three equal annual installments beginning February 7, 2018.
- (6) The stock options became exercisable in three equal annual installments beginning February 2, 2017.
- (7) The stock options became exercisable in three equal annual installments beginning February 3, 2016.
- (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 7, 2014.
- (10) The stock options became exercisable in three equal annual installments beginning February 9, 2013.
- (11) The shares of phantom stock convert to Phillips 66 stock on a 1-for-1 basis.

The shares of phantom stock were acquired under a Defined Contribution Makeup Plan providing for settlement upon termination of
- (12) 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).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.